

106TH CONGRESS  
1ST SESSION

# H. R. 827

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

FEBRUARY 24, 1999

Ms. DEGETTE (for herself, Mrs. MORELLA, Mr. WAXMAN, Mr. BROWN of Ohio, Mr. PALLONE, Mr. DEUTSCH, Mr. STUPAK, Mr. MARKEY, Mr. GREEN of Texas, Mr. STRICKLAND, Mrs. CAPPS, Mr. BARRETT of Wisconsin, Mr. TOWNS, Mr. BOUCHER, Mr. GORDON, Mr. KLINK, Mr. SAWYER, Mr. WYNN, Ms. MCCARTHY of Missouri, Mr. LUTHER, Ms. ESHOO, Mr. HALL of Texas, Mr. GILMAN, and Mr. ENGEL) 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,*

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

3 (a) SHORT TITLE.—This Act may be cited as the  
 4 “Improved Maternal and Children’s Health Coverage Act  
 5 of 1999”.

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

12 (c) TABLE OF CONTENTS.—The table of contents of  
 13 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.

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

15 (a) USE OF UNIFORM APPLICATION AND COORDI-  
 16 NATED ENROLLMENT PROCESS.—

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

20 “(d) DEVELOPMENT AND USE OF UNIFORM APPLI-  
 21 CATION FORMS AND COORDINATED ENROLLMENT PROC-  
 22 ESS.—A State child health plan shall provide, by not later  
 23 than the first day of the first month that begins more than

1 6 months after the date of the enactment of this sub-  
 2 section, for—

3 “(1) the development and use of a uniform, sim-  
 4 plified application form which is used both for pur-  
 5 poses of establishing eligibility for benefits under  
 6 this title and also under title XIX;

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

12 “(3) acceptance and timely response to tele-  
 13 phone inquiries and other electronic communications  
 14 received through the national toll-free system estab-  
 15 lished under section 3 of the Improved Maternal and  
 16 Children’s Health Coverage Act of 1999.”.

17 (2) MEDICAID CONFORMING AMENDMENT.—

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

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

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

24 “(66) provide, by not later than the first day of  
 25 the first month that begins more than 6 months

1 after the date of the enactment of this paragraph,  
2 in the case of a State with a State child health plan  
3 under title XXI for—

4 “(A) the development and use of a uni-  
5 form, simplified application form which is used  
6 both for purposes of establishing eligibility for  
7 benefits under this title and also under title  
8 XXI;

9 “(B) establishment and operation of an en-  
10 rollment process that is coordinated with that  
11 under title XXI so that a family need only  
12 interact with a single agency in order to deter-  
13 mine whether a child is eligible for benefits  
14 under this title or title XXI; and

15 “(C) acceptance and timely response to  
16 telephone inquiries and other electronic commu-  
17 nications received through the national toll-free  
18 system established under section 3 of the Im-  
19 proved Maternal and Children’s Health Cov-  
20 erage Act of 1999.”.

21 (B) EFFECTIVE DATE.—The amendments  
22 made by subparagraph (A) apply to calendar  
23 quarters beginning more than 6 months after  
24 the date of the enactment of this Act.

1 (b) NATIONAL TOLL-FREE INFORMATION LINE.—

2 The Secretary of Health and Human Services shall estab-  
 3 lish, in coordination with State agencies responsible for  
 4 administration of State medicaid and child health insur-  
 5 ance programs and by not later than the first day of the  
 6 first month that begins more than 6 months after the date  
 7 of the enactment of this subsection, for a national toll-  
 8 free telephone number that individuals may access to ob-  
 9 tain information on coverage of children under such pro-  
 10 grams.

11 (c) FINANCIAL INCENTIVES TO PROMOTE APPRO-  
 12 PRIATE ENROLLMENT.—

13 (1) EXPANDED AVAILABILITY OF FUNDING FOR  
 14 ADMINISTRATIVE COSTS RELATED TO OUTREACH  
 15 AND ELIGIBILITY DETERMINATIONS.—Section  
 16 1931(h) (42 U.S.C. 1396u–1(h)) is amended—

17 (A) in the matter preceding paragraph (1),  
 18 by striking “TRANSITIONAL” and all that fol-  
 19 lows through “COSTS” and inserting “IN-  
 20 CREASED FEDERAL MATCHING RATE FOR AD-  
 21 MINISTRATIVE COSTS RELATED TO CERTAIN  
 22 OUTREACH AND ELIGIBILITY DETERMINA-  
 23 TIONS”;

24 (B) in paragraph (2), by inserting “either”  
 25 after “attributable” and by inserting before the

1 period at the end the following: “or to adminis-  
2 trative costs of determinations of the eligibility  
3 of children and pregnant women for benefits  
4 under the State plan under this title or title  
5 XXI, outreach to children and pregnant women  
6 likely to be eligible for such benefits, and such  
7 other outreach- and eligibility-related activities  
8 as the Secretary may approve”;

9 (C) in paragraph (3), by striking “and  
10 ending with fiscal year 2000”; and

11 (D) by striking paragraph (4) and insert-  
12 ing the following:

13 “(4) ENCOURAGING USE OF LOCAL AND COM-  
14 MUNITY-BASED ORGANIZATIONS IN OUTREACH AND  
15 ENROLLMENT ACTIVITIES.—The Secretary shall es-  
16 tablish a procedure under which, if States do not  
17 otherwise obligate the amounts made available under  
18 this subsection, local and community-based public or  
19 nonprofit organizations (including local and county  
20 governments, public health departments, community  
21 health centers, children’s hospitals, and dispropor-  
22 tionate share hospitals) may seek to have adminis-  
23 trative costs relating to outreach and enrollment of  
24 children and pregnant women under this title and  
25 title XXI be treated as administrative costs of a

1 State described in section 1903(a)(7), if such orga-  
 2 nizations have the permission of the State involved.  
 3 A State may require such an organization to provide  
 4 payment of such amounts as the State would other-  
 5 wise be responsible for in order to obtain payment  
 6 under this paragraph.”.

7 (2) USE OF 3 PERCENT OF SCHIP FUNDS AT 90  
 8 PERCENT FEDERAL MATCH FOR ENROLLMENT AND  
 9 OUTREACH ACTIVITIES.—Section 2105(b) (42  
 10 U.S.C. 1397ee(b)) is amended—

11 (A) by designating the matter following the  
 12 dash as a paragraph (1) with appropriate in-  
 13 dentation and with the heading “(1) IN GEN-  
 14 ERAL”;

15 (B) by inserting “subject to paragraph  
 16 (2)” after “(a)”;

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

19 (D) by adding at the end the following  
 20 paragraph:

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

23 “(A) IN GENERAL.—For purposes of sub-  
 24 section (a), in the case of a State that meets  
 25 the requirement of subparagraph (B), and sub-

1           ject to subparagraph (C), the ‘enhanced FMAP’  
2           is equal to 90 percent with respect to amounts  
3           expended on enrollment and outreach activities.

4           “(B) REQUIREMENTS.—Subparagraph (A)  
5           shall only apply to a State if the State meets  
6           the following requirements:

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

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

21                  “(iii) COMPLIANCE WITH SIMPLIFIED  
22                  OUTREACH AND ENROLLMENT PROVI-  
23                  SIONS.—The Secretary finds that the State  
24                  is providing for outreach and enrollment  
25                  under this title and title XIX consistent



1 with the requirements of sections 2102(c),  
 2 2102(d), and 1902(a)(66).

3 “(C) LIMITATION TO 3 PERCENT OF AN-  
 4 NUAL ALLOTMENT.—Subparagraph (A) shall  
 5 not apply to amounts expended by a State in a  
 6 fiscal year in excess of 3 percent of the amount  
 7 of the amount of its allotment under section  
 8 2104 for that fiscal year.”.

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

13 (d) ADDITIONAL ENTITIES QUALIFIED TO DETER-  
 14 MINE MEDICAID PRESUMPTIVE ELIGIBILITY FOR LOW-IN-  
 15 COME CHILDREN.—Section 1920A(b)(3)(A)(i) (42 U.S.C.  
 16 1396r-1a(b)(3)(A)(i)) is amended—

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

19 (2) by inserting “eligibility of a child for medi-  
 20 cal assistance under the State plan under this title,  
 21 or eligibility of a child for child health assistance  
 22 under the program funded under title XXI, (III) is  
 23 an elementary school or secondary school, as such  
 24 terms are defined in section 14101 of the Elemen-  
 25 tary and Secondary Education Act of 1965 (20

1 U.S.C. 8801), an elementary or secondary school op-  
 2 erated or supported by the Bureau of Indian Affairs,  
 3 a State child support enforcement agency, a child  
 4 care resource and referral agency, or a State office  
 5 or private contractor that accepts applications for or  
 6 administers a program funded under part A of title  
 7 IV or that determines eligibility for any assistance  
 8 or benefits provided under any program of public or  
 9 assisted housing that receives Federal funds, includ-  
 10 ing the program under section 8 or any other section  
 11 of the United States Housing Act of 1937 (42  
 12 U.S.C. 1437 et seq.), or (IV) any other entity the  
 13 State so deems” before the semicolon.

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

15 (a) ASSURING COORDINATION OF PEDIATRIC PRO-  
 16 VIDERS WITHIN A FAMILY.—

17 (1) IN GENERAL.—Section 2103 (42 U.S.C.  
 18 1397cc) is amended by adding at the end the follow-  
 19 ing new subsection:

20 “(g) STEPS TAKEN TO COORDINATE PROVISION OF  
 21 PEDIATRIC CARE WITHIN A FAMILY.—To the extent a  
 22 State child health plan provides coverage other than  
 23 through providing benefits under the State’s medicaid  
 24 plan under title XIX, the State child health plan—

1 “(1) shall specify methods being used to ensure  
2 that children within a family who are eligible for as-  
3 sistance under the plan are allowed to be seen by the  
4 same pediatric provider or group of pediatric provid-  
5 ers in a manner that permits the coordinated receipt  
6 of care by children in the same family; and

7 “(2) shall include a description of such methods  
8 in each annual report submitted under section  
9 2108(a).”.

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

14 (b) REDUCTION IN BURDEN OF ADMINISTERING  
15 COST-SHARING PROVISIONS.—

16 (1) STATE RESPONSIBLE FOR ASSURING CAP  
17 ON COST-SHARING NOT EXCEEDED.—Section  
18 2103(e)(3) (42 U.S.C. 1397cc(e)(3)) is amended by  
19 adding at the end the following new subparagraph:

20 “(C) STATE AND CONTRACTORS RESPON-  
21 SIBLE FOR APPLYING LIMITATIONS ON COST-  
22 SHARING.—The State child health plan shall  
23 provide that responsibility for assuring compli-  
24 ance with the limitations on cost-sharing under  
25 this paragraph falls on the State and on its

1 contractors, and not on beneficiaries and their  
 2 families.”.

3 (2) STATE OPTION OF FLAT LIMIT ON OUT-OF-  
 4 POCKET EXPENDITURES.—Section 2103(e)(3)(B)  
 5 (42 U.S.C. 1397cc(e)(3)(B)) is amended by insert-  
 6 ing before the period at the end the following: “(or,  
 7 at the option of a State, a limiting amount which is  
 8 not greater \$500)”.

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

12 (c) PROHIBITION OF WAITING PERIODS.—

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

15 (A) by striking “and” at the end of clause  
 16 (i);

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

19 (C) by adding at the end the following new  
 20 clause:

21 “(iii) shall not permit the use of any  
 22 mandatory waiting period (including any  
 23 such period in order to carry out para-  
 24 graph (3)(C)), unless the Secretary finds  
 25 that the imposition of such a period would

1 not be contrary to the provisions of this  
2 title.”.

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

6 (d) GRACE PERIOD BEFORE DISENROLLMENT FOR  
7 NONPAYMENT OF PREMIUMS.—

8 (1) IN GENERAL.—Section 2103(e) (42 U.S.C.  
9 1397ee(e)) is amended by adding at the end the fol-  
10 lowing new paragraph:

11 “(5) DISENROLLMENT FOR NONPAYMENT OF  
12 PREMIUMS.—

13 “(A) NOTICE OF NONPAYMENT.—If a  
14 State child health plan requires the payment of  
15 a premium for enrollment and such a premium  
16 is not paid on a timely basis, the State shall  
17 provide, before terminating coverage under the  
18 plan, for—

19 “(i) notice of nonpayment at such  
20 time and at the beginning of the last  
21 month of the State specified enrollment pe-  
22 riod described in subparagraph (C) if the  
23 premium is still unpaid at that time; and

24 “(ii) an opportunity for a hearing and  
25 a grace period (described in subparagraph

1 (B)) in which the premium may be paid  
2 and no penalty will apply for the late pay-  
3 ment.

4 “(B) GRACE PERIOD.—The grace period  
5 under this subparagraph, in the case of non-  
6 payment for a month—

7 “(i) before the last month of a State  
8 specified enrollment period described in  
9 subparagraph (C), is for the remainder of  
10 the State specified enrollment period; or

11 “(ii) for the last month of such pe-  
12 riod, is for a period of at least 1 month.

13 “(C) STATE SPECIFIED ENROLLMENT PE-  
14 RIOD.—For purposes of applying this  
15 paragraph—

16 “(i) the State child health plan shall  
17 specify an enrollment period, which shall  
18 be a period of at least 3 months; and

19 “(ii) after each such enrollment period  
20 for an individual (if coverage is not termi-  
21 nated under the plan during such period),  
22 a new enrollment period (of the length  
23 specified in clause (i)) shall start again for  
24 the individual at the end of the previously  
25 specified enrollment period.

1           “(D) GOOD CAUSE WAIVER.—The State  
2           child health plan shall establish rules allowing  
3           waiver for good cause of termination of enroll-  
4           ment for nonpayment of premiums.

5           “(E) PERMITTING APPLICATION OF WAIT-  
6           ING PERIOD IN CERTAIN REENROLLMENT  
7           CASES.—In the case of a child whose coverage  
8           under a State child health plan has been termi-  
9           nated under this paragraph for nonpayment of  
10          premiums and whose period of coverage under  
11          the plan without premium payment exceeded 1  
12          month, the plan may require, as a condition of  
13          reenrollment under the plan, a waiting period  
14          that equals the number of months of such cov-  
15          erage without premium payment, but in no case  
16          may such a waiting period exceed 3 months.”.

17          (2) EFFECTIVE DATE.—The amendment made  
18          by paragraph (1) applies to disenrollments occurring  
19          on or after the date that is 30 days after the date  
20          of the enactment of this Act.

21 **SEC. 4. EXPANDED COVERAGE OPTIONS.**

22          (a) AUTOMATIC REASSESSMENT OF ELIGIBILITY FOR  
23          SCHIP AND MEDICAID BENEFITS FOR CHILDREN LOS-  
24          ING MEDICAID OR SCHIP ELIGIBILITY.—

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

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

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

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

“(D) the automatic assessment, in the case of a child who loses eligibility for medical assistance under this title on the basis of changes in income, assets, or age, of whether the child is eligible for benefits under title XXI.”.

(2) LOSS OF SCHIP ELIGIBILITY.—Section 2102(b)(3) (42 U.S.C. 1397bb(b)(3)) is amended by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively, and by inserting after subparagraph (C) the following new subparagraph:

“(D) that there is an automatic assessment, in the case of a child who loses eligibility for child health assistance under this title on the basis of changes in income, assets, or age,



1 of whether the child is eligible for medical as-  
2 sistance under title XIX;”.

3 (3) EFFECTIVE DATE.—The amendments made  
4 by paragraphs (1) and (2) apply to children who lose  
5 eligibility under the medicaid program under title  
6 XIX, or under a State child health insurance plan  
7 under title XXI, respectively, of the Social Security  
8 Act on or after the date that is 30 days after the  
9 date of the enactment of this Act.

10 (b) OPTIONAL COVERAGE OF LOW-INCOME, UNIN-  
11 SURED PREGNANT WOMEN UNDER A STATE CHILD  
12 HEALTH PLAN.—

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

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

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

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

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

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

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

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

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

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

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

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

21          “(6) There shall be no exclusion of benefits for  
22          services described in subsection (b)(1) based on any  
23          pre-existing condition and no waiting period (includ-  
24          ing any waiting period imposed to carry out section  
25          2102(b)(3)(C)) shall apply.

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

1 During the period in which a child is deemed under the  
 2 preceding sentence to be eligible for child health or medi-  
 3 cal assistance, the child health or medical assistance eligi-  
 4 bility identification number of the mother shall also serve  
 5 as the identification number of the child, and all claims  
 6 shall be submitted and paid under such number (unless  
 7 the State issues a separate identification number for the  
 8 child before such period expires).”.

9 (2) STATE OPTION TO USE ENHANCED FMAP  
 10 FOR COVERAGE OF ADDITIONAL PREGNANT WOMEN  
 11 UNDER THE MEDICAID PROGRAM.—Section 1905 (42  
 12 U.S.C. 1396d) is amended—

13 (A) in subsection (b), by inserting “and in  
 14 the case of a State plan that meets the condi-  
 15 tion described in subsections (u)(1) and  
 16 (u)(4)(A), with respect to expenditures de-  
 17 scribed in subsection (u)(4)(B) for the State for  
 18 a fiscal year” after “for a fiscal year,”;

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

21 (C) by inserting after paragraph (3) of  
 22 subsection (u) the following new paragraph:

23 “(4)(A) The condition described in this subparagraph  
 24 for a State plan is that the plan has established an income  
 25 level under section 1902(l)(2)(A) with respect to individ-

1 uals described in section 1902(l)(1)(A) that is 185 percent  
 2 of the income official poverty line.

3 “(B) For purposes of subsection (b), the expenditures  
 4 described in this paragraph are expenditures for medical  
 5 assistance for women described in section 1902(l)(1)(A)  
 6 whose income exceeds the income level established for such  
 7 women under section 1902(l)(2)(A)(i) as of the date of  
 8 the enactment of this paragraph but does not exceed than  
 9 185 percent of the income official poverty line.”.

10 (3) CONFORMING AMENDMENTS.—Section  
 11 2102(b)(1)(B) (42 U.S.C. 1397bb(b)(1)(B)) is  
 12 amended—

13 (A) by striking “and” at the end of clause  
 14 (i);

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

17 (C) by adding at the end the following new  
 18 clause:

19 “(iii) may not apply a waiting period  
 20 (including a waiting period to carry out  
 21 paragraph (3)(C)) in the case of a targeted  
 22 low-income child who is pregnant, if the  
 23 State provides for coverage of pregnancy-  
 24 related assistance for targeted low-income

1 pregnant women in accordance section  
2 2111.”.

3 (4) 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 allotments for all  
6 fiscal years.

7 (c) STATE OPTION FOR COVERAGE OF QUALIFIED  
8 ALIEN CHILDREN UNDER MEDICAID AND CHILDREN’S  
9 HEALTH INSURANCE PROGRAMS.—

10 (1) MEDICAID.—

11 (A) CATEGORICALLY NEEDY.—Section  
12 1902(a)(10)(a)(ii) (42 U.S.C.  
13 1396a(a)(10)(A)(ii)) is amended—

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

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

18 (iii) by adding at the end the follow-  
19 ing new subclause:

20 “(XV) who are described in sec-  
21 tion 1905(a)(i) and who would be eli-  
22 gible for medical assistance (or for a  
23 greater amount of medical assistance)  
24 under the State plan under this title  
25 but for the provisions of section 403

1 or section 421 of Public Law 104–  
 2 193, but the State may not exercise  
 3 the option of providing medical assist-  
 4 ance under this subclause with respect  
 5 to a subcategory of individuals de-  
 6 scribed in this subclause;”.

7 (B) MEDICALLY NEEDY.—Section  
 8 1902(a)(10)(C)(i)(I) (42 U.S.C.  
 9 1396a(a)(10)(C)(i)(I)) is amended by inserting  
 10 “(and such criteria may provide for eligibility of  
 11 individuals described in subparagraph  
 12 (A)(ii)(XV))” after “medical assistance”.

13 (2) CHILDREN’S HEALTH INSURANCE PRO-  
 14 GRAM.—Section 2110(b) (42 U.S.C. 1397jj(b)) is  
 15 amended—

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

20 (B) in paragraph (3)—

21 (i) by striking “SPECIAL RULE.—”

22 and inserting “SPECIAL RULES.—

23 “(i) HEALTH INSURANCE COV-  
 24 ERAGE.—” by indenting the remainder of  
 25 the text accordingly; and



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

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

6 “(i) the child would be determined eli-  
 7 gible for child health assistance under this  
 8 title but for any or all of the provisions of  
 9 sections 403 and 421 of Public Law 104–  
 10 193; and

11 “(ii) the State exercises the option to  
 12 provide medical assistance to the category  
 13 of individuals described in section  
 14 1902(a)(10)(A)(ii)(XV).”.

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

19 “(4) EXCEPTION FOR CHILD MEDICAID OR  
 20 SCHIP ASSISTANCE.—The preceding provisions of  
 21 this subsection shall not apply to—

22 “(A) medical assistance furnished under  
 23 the State plan under title XIX of the Social Se-  
 24 curity Act to an individual eligible for such as-  
 25 sistance because of subclause (XV) of para-

1 graph (10)(A)(ii) of section 1902(a) of such Act  
 2 (42 U.S.C. 1396a(a)) or because of the ref-  
 3 erence to such subclause in paragraph (10)(C)  
 4 of such section; or

5 “(B) child health assistance furnished  
 6 under the State child health plan under title  
 7 XXI of such Act to a child eligible for such as-  
 8 sistance because of the provisions of section  
 9 2110(b)(3)(B) of such Act (42 U.S.C.  
 10 1397jj(b)(3)(B)).”.

11 (d) CLARIFICATION OF COVERAGE UNDER VACCINE  
 12 FOR CHILDREN PROGRAM.—

13 (1) IN GENERAL.—Section 1928(b)(2)(A)(ii)  
 14 (42 U.S.C. 1396s(b)(2)(A)(ii) is amended by insert-  
 15 ing “, except that for purposes of this paragraph a  
 16 child who is only insured under title XXI shall be  
 17 considered as being not insured” after “not in-  
 18 sured”.

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

22 (e) 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 1999.

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, 1999.

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