

108TH CONGRESS  
1ST SESSION

# H. R. 3293

To amend titles XIX and XXI of the Social Security Act to provide States with the option to expand or add coverage of pregnant women under the Medicaid and State children's health insurance programs, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 15, 2003

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

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## A BILL

To amend titles XIX and XXI of the Social Security Act to provide States with the option to expand or add coverage of pregnant women under the Medicaid and State children's health insurance programs, and for other purposes.

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 "Prevent Prematurity  
5       and Improve Child Health Act of 2003".

1   **SEC. 2. STATE OPTION TO EXPAND OR ADD COVERAGE OF**  
2           **CERTAIN PREGNANT WOMEN UNDER MED-**  
3           **ICAID AND SCHIP.**

4       (a) MEDICAID.—

5           (1) AUTHORITY TO EXPAND COVERAGE.—Sec-  
6           tion 1902(l)(2)(A)(i) of the Social Security Act (42  
7           U.S.C. 1396a(l)(2)(A)(i)) is amended by inserting  
8           “(or such higher percentage as the State may elect  
9           for purposes of expenditures for medical assistance  
10          for pregnant women described in section  
11          1905(u)(4)(A))” after “185 percent”.

12           (2) ENHANCED MATCHING FUNDS AVAILABLE  
13          IF CERTAIN CONDITIONS MET.—Section 1905 of the  
14          Social Security Act (42 U.S.C. 1396d) is amended—

15           (A) in the fourth sentence of subsection  
16          (b), by striking “or subsection (u)(3)” and in-  
17          serting “, (u)(3), or (u)(4)”; and

18           (B) in subsection (u)—

19           (i) by redesignating paragraph (4) as  
20          paragraph (5); and

21           (ii) by inserting after paragraph (3)  
22          the following new paragraph:

23           “(4) For purposes of the fourth sentence of sub-  
24          section (b) and section 2105(a), the expenditures de-  
25          scribed in this paragraph are the following:

1                 “(A) CERTAIN PREGNANT WOMEN.—If the con-  
2                 ditions described in subparagraph (B) are met, ex-  
3                 penditures for medical assistance for pregnant  
4                 women described in subsection (n) or under section  
5                 1902(l)(1)(A) in a family the income of which ex-  
6                 ceeds 185 percent of the poverty line, but does not  
7                 exceed the income eligibility level established under  
8                 title XXI for a targeted low-income child.

9                 “(B) CONDITIONS.—The conditions described  
10                 in this subparagraph are the following:

11                 “(i) The State plans under this title and  
12                 title XXI do not provide coverage for pregnant  
13                 women described in subparagraph (A) with  
14                 higher family income without covering such  
15                 pregnant women with a lower family income.

16                 “(ii) The State does not apply an effective  
17                 income level for pregnant women that is lower  
18                 than the effective income level (expressed as a  
19                 percent of the poverty line and considering ap-  
20                 plicable income disregards) that has been speci-  
21                 fied under the State plan under subsection  
22                 (a)(10)(A)(i)(III) or (l)(2)(A) of section 1902,  
23                 as of January 1, 2003, to be eligible for medical  
24                 assistance as a pregnant woman.

1               “(C) DEFINITION OF POVERTY LINE.—In this  
2 subsection, the term ‘poverty line’ has the meaning  
3 given such term in section 2110(c)(5).”.

4               (3) PAYMENT FROM TITLE XXI ALLOTMENT  
5 FOR MEDICAID EXPANSION COSTS; ELIMINATION OF  
6 COUNTING MEDICAID CHILD PRESUMPTIVE ELIGI-  
7 BILITY COSTS AGAINST TITLE XXI ALLOTMENT.—  
8 Section 2105(a)(1) of the Social Security Act (42  
9 U.S.C. 1397ee(a)(1)) is amended—

10               (A) in the matter preceding subparagraph  
11 (A), by striking “(or, in the case of expendi-  
12 tures described in subparagraph (B), the Fed-  
13 eral medical assistance percentage (as defined  
14 in the first sentence of section 1905(b)))”; and

15               (B) by striking subparagraph (B) and in-  
16 serting the following new subparagraph:

17               “(B) for the provision of medical assist-  
18 ance that is attributable to expenditures de-  
19 scribed in section 1905(u)(4)(A);”.

20               (b) SCHIP.—

21               (1) COVERAGE.—Title XXI of the Social Secu-  
22 rity Act (42 U.S.C. 1397aa et seq.) is amended by  
23 adding at the end the following new section:

1   **“SEC. 2111. OPTIONAL COVERAGE OF TARGETED LOW-IN-**  
2                   **COME PREGNANT WOMEN.**

3       “(a) OPTIONAL COVERAGE.—Notwithstanding any  
4   other provision of this title, a State may provide for cov-  
5   erage, through an amendment to its State child health  
6   plan under section 2102, of pregnancy-related assistance  
7   for targeted low-income pregnant women in accordance  
8   with this section, but only if—

9               “(1) the State has established an income eligi-  
10       bility level for pregnant women under subsection  
11       (a)(10)(A)(i)(III) or (l)(2)(A) of section 1902 that is  
12       at least 185 percent of the income official poverty  
13       line; and

14               “(2) the State meets the conditions described in  
15       section 1905(u)(4)(B).

16       “(b) DEFINITIONS.—For purposes of this title:

17               “(1) PREGNANCY-RELATED ASSISTANCE.—The  
18       term ‘pregnancy-related assistance’ has the meaning  
19       given the term child health assistance in section  
20       2110(a) as if any reference to targeted low-income  
21       children were a reference to targeted low-income  
22       pregnant women, except that the assistance shall be  
23       limited to services related to pregnancy (which in-  
24       clude prenatal, delivery, and postpartum services  
25       and services described in section 1905(a)(4)(C)) and  
26       to other conditions that may complicate pregnancy.

1           “(2) TARGETED LOW-INCOME PREGNANT  
2           WOMAN.—The term ‘targeted low-income pregnant  
3           woman’ means a woman—

4           “(A) during pregnancy and through the  
5           end of the month in which the 60-day period  
6           (beginning on the last day of her pregnancy)  
7           ends;

8           “(B) whose family income exceeds the ef-  
9           fective income level (expressed as a percent of  
10           the poverty line and considering applicable in-  
11           come disregards) that has been specified under  
12           subsection (a)(10)(A)(i)(III) or (l)(2)(A) of sec-  
13           tion 1902, as of January 1, 2003, to be eligible  
14           for medical assistance as a pregnant woman  
15           under title XIX but does not exceed the income  
16           eligibility level established under the State child  
17           health plan under this title for a targeted low-  
18           income child; and

19           “(C) who satisfies the requirements of  
20           paragraphs (1)(A), (1)(C), (2), and (3) of sec-  
21           tion 2110(b).

22           “(c) REFERENCES TO TERMS AND SPECIAL  
23           RULES.—In the case of, and with respect to, a State pro-  
24           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 in  
4 subsection (b)) to a targeted low-income child is  
5 deemed to include a reference to a targeted low-in-  
6 come pregnant 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)(A).

13       “(4) In applying section 2102(b)(3)(B), any  
14 reference to children found through screening to be  
15 eligible for medical assistance under the State med-  
16 icaid plan under title XIX is deemed a reference to  
17 pregnant women.

18       “(5) There shall be no exclusion of benefits for  
19 services described in subsection (b)(1) based on any  
20 preexisting condition and no waiting period (includ-  
21 ing any waiting period imposed to carry out section  
22 2102(b)(3)(C)) shall apply.

23       “(6) Subsection (a) of section 2103 (relating to  
24 required scope of health insurance coverage) shall  
25 not apply insofar as a State limits coverage to serv-

1       ices described in subsection (b)(1) and the reference  
2       to such section in section 2105(a)(1)(C) is deemed  
3       not to require, in such case, compliance with the re-  
4       quirements of section 2103(a).

5           “(7) In applying section 2103(e)(3)(B) in the  
6       case of a pregnant woman provided coverage under  
7       this section, the limitation on total annual aggregate  
8       cost-sharing shall be applied to such pregnant  
9       woman.

10          “(8) The reference in section 2107(e)(1)(D) to  
11       section 1920A (relating to presumptive eligibility for  
12       children) is deemed a reference to section 1920 (re-  
13       lating to presumptive eligibility for pregnant  
14       women).

15          “(d) AUTOMATIC ENROLLMENT FOR CHILDREN  
16       BORN TO WOMEN RECEIVING PREGNANCY-RELATED As-  
17       SISTANCE.—If a child is born to a targeted low-income  
18       pregnant woman who was receiving pregnancy-related as-  
19       sistance under this section on the date of the child’s birth,  
20       the child shall be deemed to have applied for child health  
21       assistance under the State child health plan and to have  
22       been found eligible for such assistance under such plan  
23       or to have applied for medical assistance under title XIX  
24       and to have been found eligible for such assistance under  
25       such title, as appropriate, on the date of such birth and

1 to remain eligible for such assistance until the child at-  
2 tains 1 year of age. During the period in which a child  
3 is deemed under the preceding sentence to be eligible for  
4 child health or medical assistance, the child health or med-  
5 ical assistance eligibility identification number of the  
6 mother shall also serve as the identification number of the  
7 child, and all claims shall be submitted and paid under  
8 such number (unless the State issues a separate identifica-  
9 tion number for the child before such period expires).".

10 (2) ADDITIONAL ALLOTMENTS FOR PROVIDING  
11 COVERAGE OF PREGNANT WOMEN.—

12 (A) IN GENERAL.—Section 2104 of the So-  
13 cial Security Act (42 U.S.C. 1397dd) is amend-  
14 ed by inserting after subsection (c) the fol-  
15 lowing new subsection:

16 “(d) ADDITIONAL ALLOTMENTS FOR PROVIDING  
17 COVERAGE OF PREGNANT WOMEN.—

18 (1) APPROPRIATION; TOTAL ALLOTMENT.—  
19 For the purpose of providing additional allotments  
20 to States under this title, there is appropriated, out  
21 of any money in the Treasury not otherwise appro-  
22 priated, for each of fiscal years 2004 through 2007,  
23 \$200,000,000.

24 (2) STATE AND TERRITORIAL ALLOTMENTS.—  
25 In addition to the allotments provided under sub-

1       sections (b) and (c), subject to paragraphs (3) and  
2       (4), of the amount available for the additional allot-  
3       ments under paragraph (1) for a fiscal year, the  
4       Secretary shall allot to each State with a State child  
5       health plan approved under this title—

6               “(A) in the case of such a State other than  
7       a commonwealth or territory described in sub-  
8       paragraph (B), the same proportion as the pro-  
9       portion of the State’s allotment under sub-  
10       section (b) (determined without regard to sub-  
11       section (f)) to the total amount of the allot-  
12       ments under subsection (b) for such States eli-  
13       gible for an allotment under this paragraph for  
14       such fiscal year; and

15               “(B) in the case of a commonwealth or ter-  
16       ritory described in subsection (c)(3), the same  
17       proportion as the proportion of the common-  
18       wealth’s or territory’s allotment under sub-  
19       section (c) (determined without regard to sub-  
20       section (f)) to the total amount of the allot-  
21       ments under subsection (c) for commonwealths  
22       and territories eligible for an allotment under  
23       this paragraph for such fiscal year.

24       “(3) USE OF ADDITIONAL ALLOTMENT.—Addi-  
25       tional allotments provided under this subsection are

1 not available for amounts expended before October  
2 1, 2003. Such amounts are available for amounts ex-  
3 pended on or after such date for child health assist-  
4 ance for targeted low-income children, as well as for  
5 pregnancy-related assistance for targeted low-income  
6 pregnant women.

7 “(4) NO PAYMENTS UNLESS ELECTION TO EX-  
8 PAND COVERAGE OF PREGNANT WOMEN.—No pay-  
9 ments may be made to a State under this title from  
10 an allotment provided under this subsection unless  
11 the State provides pregnancy-related assistance for  
12 targeted low-income pregnant women under this  
13 title, or provides medical assistance for pregnant  
14 women under title XIX, whose family income ex-  
15 ceeds the effective income level applicable under sub-  
16 section (a)(10)(A)(i)(III) or (l)(2)(A) of section  
17 1902 to a family of the size involved as of January  
18 1, 2003.”.

19 (B) CONFORMING AMENDMENTS.—Section  
20 2104 of the Social Security Act (42 U.S.C.  
21 1397dd) is amended—

22 (i) in subsection (a), in the matter  
23 preceding paragraph (1), by inserting  
24 “subject to subsection (d),” after “under  
25 this section,”;

1 (ii) in subsection (b)(1), by inserting  
2 “and subsection (d)” after “Subject to  
3 paragraph (4); and

4 (iii) in subsection (c)(1), by inserting  
5 “subject to subsection (d),” after “for a  
6 fiscal year.”

7 (3) ADDITIONAL CONFORMING AMENDMENTS.—

12 (i) in the heading, by inserting "OR  
13 PREGNANCY-RELATED SERVICES" after  
14 "PREVENTIVE SERVICES"; and

15 (ii) by inserting before the period at  
16 the end the following: “or for pregnancy-  
17 related services”.

18 (B) No WAITING PERIOD.—Section  
19 2102(b)(1)(B) (42 U.S.C. 1397bb(b)(1)(B)) is  
20 amended—

21 (i) in clause (i), by striking “, and” at  
22 the end and inserting a semicolon;  
23 (ii) in clause (ii), by striking the pe-  
24 riod at the end and inserting “; and”; and

1 (iii) by adding at the end the fol-  
2 lowing new clause:

7 (c) AUTHORITY FOR STATES THAT PROVIDE MED-  
8 ICAID OR SCHIP COVERAGE FOR PREGNANT WOMEN  
9 WITH INCOME ABOVE 185 PERCENT OF THE POVERTY  
10 LINE TO USE PORTION OF SCHIP FUNDS FOR MEDICAID  
11 EXPENDITURES.—Section 2105(g) of the Social Security  
12 Act (42 U.S.C. 1397ee(g)), as added by section 1(b) of  
13 Public Law 108-74, is amended—

14 (1) in the subsection heading, by inserting  
15 "AND CERTAIN PREGNANCY COVERAGE EXPANSION  
16 STATES" after "QUALIFYING STATES":

17 (2) by adding at the end the following:

18                   “(4) SPECIAL AUTHORITY FOR CERTAIN PREG-  
19                   NANCY COVERAGE EXPANSION STATES—

20                             “(A) IN GENERAL.—In the case of a State  
21                             that, as of the date of enactment of the Prevent  
22                             Prematurity and Improve Child Health Act of  
23                             2003, has an income eligibility standard under  
24                             title XIX or this title (under section  
25                             1902(a)(10)(A) or under a statewide waiver in

1 effect under section 1115 with respect to title  
2 XIX or this title) that is at least 185 percent  
3 of the poverty line with respect to pregnant  
4 women, the State may elect to use not more  
5 than 20 percent of any allotment under section  
6 2104 for any fiscal year (insofar as it is avail-  
7 able under subsections (e) and (g) of such sec-  
8 tion) for payments under title XIX in accord-  
9 ance with subparagraph (B), instead of for ex-  
10 penditures under this title.

11       “(B) PAYMENTS TO STATES.—

12           “(i) IN GENERAL.—In the case of a  
13 State described in subparagraph (A) that  
14 has elected the option described in that  
15 subparagraph, subject to the availability of  
16 funds under such subparagraph and, if ap-  
17 plicable, paragraph (1)(A), with respect to  
18 the State, the Secretary shall pay the State  
19 an amount each quarter equal to the addi-  
20 tional amount that would have been paid  
21 to the State under title XIX with respect  
22 to expenditures described in clause (ii) if  
23 the enhanced FMAP (as determined under  
24 subsection (b)) had been substituted for

1 the Federal medical assistance percentage  
2 (as defined in section 1905(b)).

24 (3) in paragraph (3), by striking “and (2)” and  
25 inserting “(2), and (4)”.

## 1 (d) OTHER AMENDMENTS TO MEDICAID.—

2 (1) ELIGIBILITY OF A NEWBORN.—Section  
3 1902(e)(4) of the Social Security Act (42 U.S.C.  
4 1396a(e)(4)) is amended in the first sentence by  
5 striking “so long as the child is a member of the  
6 woman’s household and the woman remains (or  
7 would remain if pregnant) eligible for such assist-  
8 ance”.

9 (2) APPLICATION OF QUALIFIED ENTITIES TO  
10 PRESUMPTIVE ELIGIBILITY FOR PREGNANT WOMEN  
11 UNDER MEDICAID.—Section 1920(b) of the Social  
12 Security Act (42 U.S.C. 1396r-1(b)) is amended by  
13 adding after paragraph (2) the following flush sen-  
14 tence:

15 “The term ‘qualified provider’ includes a qualified entity  
16 as defined in section 1920A(b)(3).”.

17 (e) EFFECTIVE DATE.—The amendments made by  
18 this section apply to items and services furnished on or  
19 after October 1, 2003, without regard to whether regula-  
20 tions implementing such amendments have been promul-  
21 gated.

22 **SEC. 3. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS**  
23 **UNDER THE MEDICAID PROGRAM AND SCHIP.**

24 (a) MEDICAID PROGRAM.—Section 1903(v) of the  
25 Social Security Act (42 U.S.C. 1396b(v)) is amended—

3 (2) by adding at the end the following new  
4 paragraph:

5       “(4)(A) A State may elect (in a plan amendment  
6 under this title) to provide medical assistance under this  
7 title for aliens who are lawfully residing in the United  
8 States (including battered aliens described in section  
9 431(c) of the Personal Responsibility and Work Oppor-  
10 tunity Reconciliation Act of 1996) and who are otherwise  
11 eligible for such assistance, within any of the following eli-  
12 gibility categories:

13                   “(i) PREGNANT WOMEN.—Women during preg-  
14                   nancy (and during the 60-day period beginning on  
15                   the last day of the pregnancy).

16                   “(ii) CHILDREN.—Children (as defined under  
17                   such plan), including optional targeted low-income  
18                   children described in section 1905(u)(2)(B).

19       “(B)(i) In the case of a State that has elected to pro-  
20 vide medical assistance to a category of aliens under sub-  
21 paragraph (A), no debt shall accrue under an affidavit of  
22 support against any sponsor of such an alien on the basis  
23 of provision of assistance to such category and the cost  
24 of such assistance shall not be considered as an unreim-  
25 bursed cost.

1        “(ii) The provisions of sections 401(a), 402(b), 403,  
2 and 421 of the Personal Responsibility and Work Oppor-  
3 tunity Reconciliation Act of 1996 shall not apply to a  
4 State that makes an election under subparagraph (A).”.

5        (b) TITLE XXI.—Section 2107(e)(1) of the Social  
6 Security Act (42 U.S.C. 1397gg(e)(1)) is amended by add-  
7 ing at the end the following new subparagraph:

8                “(E) Section 1903(v)(4) (relating to op-  
9                tional coverage of permanent resident alien  
10                pregnant women and children), but only with  
11                respect to an eligibility category under this title,  
12                if the same eligibility category has been elected  
13                under such section for purposes of title XIX.”.

14        (c) EFFECTIVE DATE.—The amendments made by  
15 this section take effect on October 1, 2003, and apply to  
16 medical assistance and child health assistance furnished  
17 on or after such date.

18 **SEC. 4. PROMOTING CESSATION OF TOBACCO USE UNDER**  
19 **THE MEDICAID PROGRAM.**

20        (a) DROPPING EXCEPTION FROM MEDICAID PRE-  
21                SCRIPTION DRUG COVERAGE FOR TOBACCO CESSATION  
22                MEDICATIONS.—Section 1927(d)(2) of the Social Security  
23 Act (42 U.S.C. 1396r-8(d)(2)) is amended—

24                (1) by striking subparagraph (E);

4 (3) in subparagraph (F) (as redesignated by  
5 paragraph (2)), by inserting before the period at the  
6 end the following: “, except agents approved by the  
7 Food and Drug Administration for purposes of pro-  
8 moting, and when used to promote, tobacco ces-  
9 sation”.

10 (b) REQUIRING COVERAGE OF TOBACCO CESSATION  
11 COUNSELING SERVICES FOR PREGNANT WOMEN.—Sec-  
12 tion 1905 of the Social Security Act (42 U.S.C.  
13 1396d(a)(4)) is amended—

14 (1) in subsection (a)(4)—

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

16 (B) by inserting before the semicolon at  
17 the end the following new subparagraph: “; and  
18 (D) counseling for cessation of tobacco use (as  
19 defined in subsection (x)) for pregnant women”;  
20 and

21 (2) by adding at the end the following:

22        "(x)(1) For purposes of this title, the term 'coun-  
23 seling for cessation of tobacco use' means therapy and  
24 counseling for cessation of tobacco use for pregnant

1 women who use tobacco products or who are being treated  
2 for tobacco use that is furnished—

3               “(A) by or under the supervision of a physician;

4               or

5               “(B) by any other health care professional  
6 who—

7                       “(i) is legally authorized to furnish such  
8                       services under State law (or the State regu-  
9                       latory mechanism provided by State law) of the  
10                      State in which the services are furnished; and

11                       “(ii) is authorized to receive payment for  
12                       other services under this title or is designated  
13                       by the Secretary for this purpose.

14               “(2) Subject to paragraph (3), such term is limited  
15 to—

16                       “(A) therapy and counseling services rec-  
17                       ommended in ‘Treating Tobacco Use and Depend-  
18                       ence: A Clinical Practice Guideline’, published by the  
19                       Public Health Service in June 2000, or any subse-  
20                       quent modification of such Guideline; and

21                       “(B) such other therapy and counseling services  
22                       that the Secretary recognizes to be effective.

23               “(3) Such term shall not include coverage for drugs  
24                       or biologicals that are not otherwise covered under this  
25                       title.”.

8 (d) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to services furnished on or after  
10 the date that is 1 year after the date of enactment of this  
11 Act.

12 SEC. 5. PROMOTING CESSATION OF TOBACCO USE UNDER  
13 THE MATERNAL AND CHILD HEALTH SERV-  
14 ICES BLOCK GRANT PROGRAM.

15 (a) QUALITY MATERNAL AND CHILD HEALTH SERV-  
16 ICES INCLUDES TOBACCO CESSATION COUNSELING AND  
17 MEDICATIONS.—

18 (1) IN GENERAL.—Section 501 of the Social  
19 Security Act (42 U.S.C. 701) is amended by adding  
20 at the end the following new subsection:

21       “(c) For purposes of this title, counseling for ces-  
22 sation of tobacco use (as defined in section 1905(x)),  
23 drugs and biologicals used to promote smoking cessation,  
24 and the inclusion of antitobacco messages in health pro-

1 motion counseling shall be considered to be part of quality  
2 maternal and child health services.”.

3 (2) EFFECTIVE DATE.—The amendment made  
4 by paragraph (1) shall take effect on the date that  
5 is 1 year after the date of enactment of this Act.

6 (b) EVALUATION OF NATIONAL CORE PERFORMANCE  
7 MEASURES.—

8 (1) IN GENERAL.—The Administrator of the  
9 Health Resources and Services Administration shall  
10 assess the current national core performance meas-  
11 ures and national core outcome measures utilized  
12 under the Maternal and Child Health Block Grant  
13 under title V of the Social Security Act (42 U.S.C.  
14 701 et seq.) for purposes of expanding such meas-  
15 ures to include some of the known causes of low  
16 birthweight and prematurity, including the percent-  
17 age of infants born to pregnant women who smoked  
18 during pregnancy.

19 (2) REPORT.—Not later than 1 year after the  
20 date of enactment of this Act, the Administrator of  
21 the Health Resources and Services Administration  
22 shall submit to the appropriate committees of Con-  
23 gress a report concerning the results of the evalua-  
24 tion conducted under paragraph (1).

1   **SEC. 6. STATE OPTION TO PROVIDE FAMILY PLANNING**  
2                   **SERVICES AND SUPPLIES TO INDIVIDUALS**  
3                   **WITH INCOMES THAT DO NOT EXCEED A**  
4                   **STATE'S INCOME ELIGIBILITY LEVEL FOR**  
5                   **MEDICAL ASSISTANCE.**

6       (a) IN GENERAL.—Title XIX of the Social Security  
7   Act (42 U.S.C. 1396 et seq.) is amended—

8                   (1) by redesignating section 1935 as section  
9   1936; and

10                  (2) by inserting after section 1934 the following  
11   new section:

12                  “STATE OPTION TO PROVIDE FAMILY PLANNING

13                   SERVICES AND SUPPLIES

14                  “SEC. 1935. (a) IN GENERAL.—Subject to sub-  
15   sections (b) and (c), a State may elect (through a State  
16   plan amendment) to make medical assistance described in  
17   section 1905(a)(4)(C) available to any individual whose  
18   family income does not exceed the greater of—

19                  “(1) 185 percent of the income official poverty  
20   line (as defined by the Office of Management and  
21   Budget, and revised annually in accordance with sec-  
22   tion 673(2) of the Omnibus Budget Reconciliation  
23   Act of 1981) applicable to a family of the size in-  
24   volved; or

25                  “(2) the eligibility income level (expressed as a  
26   percentage of such poverty line) that has been speci-

1 fied under a waiver authorized by the Secretary or  
2 under section 1902(r)(2)), as of October 1, 2003,  
3 for an individual to be eligible for medical assistance  
4 under the State plan.

5 “(b) COMPARABILITY.—Medical assistance described  
6 in section 1905(a)(4)(C) that is made available under a  
7 State plan amendment under subsection (a) shall—

8 “(1) not be less in amount, duration, or scope  
9 than the medical assistance described in that section  
10 that is made available to any other individual under  
11 the State plan; and

12 “(2) be provided in accordance with the restric-  
13 tions on deductions, cost sharing, or similar charges  
14 imposed under section 1916(a)(2)(D).

15 “(c) OPTION TO EXTEND COVERAGE DURING A  
16 POST-ELIGIBILITY PERIOD.—

17 “(1) INITIAL PERIOD.—A State plan amend-  
18 ment made under subsection (a) may provide that  
19 any individual who was receiving medical assistance  
20 described in section 1905(a)(4)(C) as a result of  
21 such amendment, and who becomes ineligible for  
22 such assistance because of hours of, or income from,  
23 employment, may remain eligible for such medical  
24 assistance through the end of the 6-month period

1 that begins on the first day the individual becomes  
2 so ineligible.

3                   “(2) ADDITIONAL EXTENSION.—A State plan  
4                   amendment made under subsection (a) may provide  
5                   that any individual who has received medical assist-  
6                   ance described in section 1905(a)(4)(C) during the  
7                   entire 6-month period described in paragraph (1)  
8                   may be extended coverage for such assistance for a  
9                   succeeding 6-month period.”.

10 (b) EFFECTIVE DATE.—The amendments made by  
11 subsection (a) apply to medical assistance provided on and  
12 after October 1, 2003.

13 SEC. 7. STATE OPTION TO EXTEND THE POSTPARTUM PE-  
14 RIOD FOR PROVISION OF FAMILY PLANNING  
15 SERVICES AND SUPPLIES.

16 (a) IN GENERAL.—Section 1902(e)(5) of the Social  
17 Security Act (42 U.S.C. 1396a(e)(5)) is amended—

21 (2) by striking the period and inserting “;  
22 and”; and

23 (3) by adding at the end the following new sub-  
24 paragraph:

1                   “(B) for medical assistance described in section  
2                   1905(a)(4)(C) for so long as the family income of  
3                   such woman does not exceed the maximum income  
4                   level established by the State for the woman to be  
5                   eligible for medical assistance under the State plan  
6                   (as a result of pregnancy or otherwise).”.

7 (b) EFFECTIVE DATE.—The amendments made by  
8 subsection (a) apply to medical assistance provided on and  
9 after October 1, 2003.

10 SEC. 8. STATE OPTION TO PROVIDE WRAP-AROUND SCHIP  
11 COVERAGE TO CHILDREN WHO HAVE OTHER  
12 HEALTH COVERAGE.

13 (a) IN GENERAL.—

## 14 (1) SCHIP.—

15 (A) STATE OPTION TO PROVIDE WRAP-  
16 AROUND COVERAGE.—Section 2110(b) of the  
17 Social Security Act (42 U.S.C. 1397jj(b)) is  
18 amended—

19 (i) in paragraph (1)(C), by inserting  
20 “, subject to paragraph (5),” after “under  
21 title XIX or”; and

22 (ii) by adding at the end the fol-  
23 lowing:

24       “(5) STATE OPTION TO PROVIDE WRAP-AROUND  
25       COVERAGE.—A State may waive the requirement of

1       paragraph (1)(C) that a targeted low-income child  
2       may not be covered under a group health plan or  
3       under health insurance coverage, if the State satis-  
4       fies the conditions described in subsection (c)(8).  
5       The State may waive such requirement in order to  
6       provide—

7               “(A) services for a child with special health  
8               care needs; or  
9               “(B) all services.

10      In waiving such requirement, a State may limit the  
11      application of the waiver to children whose family in-  
12      come does not exceed a level specified by the State,  
13      so long as the level so specified does not exceed the  
14      maximum income level otherwise established for  
15      other children under the State child health plan .”.

16               (B) CONDITIONS DESCRIBED.—Section  
17      2105(c) of the Social Security Act (42 U.S.C.  
18      1397ee(c)) is amended by adding at the end the  
19      following:

20               “(8) CONDITIONS FOR PROVISION OF WRAP-  
21      AROUND COVERAGE.—For purposes of section  
22      2110(b)(5), the conditions described in this para-  
23      graph are the following:

1                     “(A) INCOME ELIGIBILITY.—The State  
2                     child health plan (whether implemented under  
3                     title XIX or this XXI)—

4                         “(i) has the highest income eligibility  
5                     standard permitted under this title as of  
6                     January 1, 2003;

7                         “(ii) subject to subparagraph (B),  
8                     does not limit the acceptance of applica-  
9                     tions for children; and

10                         “(iii) provides benefits to all children  
11                     in the State who apply for and meet eligi-  
12                     bility standards.

13                         “(B) NO WAITING LIST IMPOSED.—With  
14                     respect to children whose family income is at or  
15                     below 200 percent of the poverty line, the State  
16                     does not impose any numerical limitation, wait-  
17                     ing list, or similar limitation on the eligibility of  
18                     such children for child health assistance under  
19                     such State plan.

20                         “(C) NO MORE FAVORABLE TREATMENT.—  
21                     The State child health plan may not provide  
22                     more favorable coverage of dental services to  
23                     the children covered under section 2110(b)(5)  
24                     than to children otherwise covered under this  
25                     title.”.

1 (C) STATE OPTION TO WAIVE WAITING PE-  
2 RIOD.—Section 2102(b)(1)(B) of the Social Se-  
3 curity Act (42 U.S.C. 1397bb(b)(1)(B)), as  
4 amended by section 2(b)(3)(B), is amended—

5 (i) in clause (ii), by striking “, and”  
6 at the end and inserting a semicolon;

7 (ii) in clause (iii), by striking the pe-  
8 riod at the end and inserting “; and”; and

9 (iii) by adding at the end the fol-  
10 lowing new clause:

20 (A) in subsection (b), in the fourth sentence, by striking “or (u)(4)” and inserting  
21 “(u)(4), or (u)(5)”; and  
22

23 (B) in subsection (u)—

24 (i) by redesignating paragraph (5) as  
25 paragraph (6); and

1 (ii) by inserting after paragraph (4)  
2 the following:

3                   “(5) For purposes of subsection (b), the ex-  
4                   penditures described in this paragraph are expendi-  
5                   tures for items and services for children described in  
6                   section 2110(b)(5), but only in the case of a State  
7                   that satisfies the requirements of section  
8                   2105(c)(8).”.

14                             “(F) Section 1902(a)(25) (relating to co-  
15                             ordination of benefits and secondary payor pro-  
16                             visions) with respect to children covered under  
17                             a waiver described in section 2110(b)(5).”.

18 (b) EFFECTIVE DATE.—The amendments made by  
19 subsection (a) shall take effect on January 1, 2003, and  
20 shall apply to child health assistance and medical assist-  
21 ance provided on or after that date.