

108TH CONGRESS
1ST SESSION

H. R. 449

To amend title XXI of the Social Security Act to permit the use of unexpended allotments under the State children's health care program for an additional fiscal year, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2003

Ms. DUNN (for herself, Mrs. WILSON of New Mexico, Mr. NETHERCUTT, Mr. DICKS, Mr. HASTINGS of Washington, Mr. BAIRD, Mr. McDERMOTT, and Mr. INSLEE) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend title XXI of the Social Security Act to permit the use of unexpended allotments under the State children's health care program for an additional fiscal year, 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 "Children First SCHIP
5 Improvement Act of 2003".

1 **SEC. 2. PERMITTING USE OF RETAINED FISCAL YEARS 1998,**
2 **1999, AND 2000 SCHIP ALLOTMENTS THROUGH**
3 **FISCAL YEAR 2004.**

4 (a) RETAINED AND REDISTRIBUTED ALLOTMENTS
5 FOR FISCAL YEARS 1998 AND 1999.—Paragraphs
6 (1)(B)(ii), (2)(A)(i), and (2)(A)(ii) of section 2104(g) of
7 the Social Security Act (42 U.S.C. 1397dd(g)) are each
8 amended by striking “fiscal year 2002” and inserting “fis-
9 cal year 2004”.

10 (b) FISCAL YEAR 2000.—Section 2104(g)(2) of such
11 Act (42 U.S.C. 1397dd(g)(2)) is amended—

12 (1) in the heading, by striking “AND 1999” and
13 inserting “THROUGH 2000”;

14 (2) by adding at the end of subparagraph (A)
15 the following:

16 “(iii) FISCAL YEAR 2000 ALLOT-
17 MENT.—

18 “(I) IN GENERAL.—Except as
19 provided in subclause (II) with respect
20 to high unemployment States, of the
21 amounts allotted to a State pursuant
22 to this section for fiscal year 2000
23 that were not expended by the State
24 by the end of fiscal year 2002, the
25 amount specified in subparagraph (B)
26 for fiscal year 2000 for such State

1 shall remain available for expenditure
2 by the State through the end of fiscal
3 year 2004.

4 “(II) SPECIAL RULE FOR HIGH
5 UNEMPLOYMENT STATES.—With re-
6 spect only to high unemployment
7 States (as defined in subparagraph
8 (D)), of the amounts allotted to such
9 a State pursuant to this section for
10 fiscal year 2000 that were not ex-
11 pended by the State by the end of fis-
12 cal year 2002, all such amounts for
13 fiscal year 2000 for such State shall
14 remain available for expenditure by
15 the State through the end of fiscal
16 year 2004.”; and

17 (3) by adding at the end the following new sub-
18 paragraph:

19 “(D) HIGH UNEMPLOYMENT STATE DE-
20 FINED.— For purposes of subparagraph
21 (A)(iii), the term ‘high unemployment State’
22 means a State that is any of the 50 States or
23 the District of Columbia and that had an unem-
24 ployment rate (seasonally adjusted) of at least

1 6 percent in each of two consecutive months in
2 2002.”.

3 (c) USE OF UNUSED FISCAL YEAR 1998 THROUGH
4 2000 FUNDS.—Section 2104(g) of such Act (42 U.S.C.
5 1397dd(g)), as amended by subsection (b), is further
6 amended by adding at the end the following new para-
7 graph:

8 “(5) USE OF UNEXPENDED FISCAL YEARS 1998
9 THROUGH 2000 ALLOTMENTS.—Notwithstanding any
10 waiver granted under section 1115 or otherwise for
11 the use of funds under title XIX or this title that
12 is approved as of December 31, 2002, amounts
13 made available for expenditure under this subsection
14 to provide child health assistance under this title
15 shall be expended in accordance with the following
16 priority:

17 “(A) First to children who are eligible for
18 child health assistance under this title.

19 “(B) Second to children who are eligible
20 for medical assistance under title XIX.”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall be effective as if this section had been
23 enacted on December 31, 2002, and amounts under title
24 XXI of the Social Security Act (42 U.S.C. 1397 et seq.)
25 from allotments for fiscal years 1998 through 2000 are

1 available for expenditure on and after October 1, 2002,
2 under the amendments made by this section as if this sec-
3 tion had been enacted on December 31, 2002.

4 **SEC. 3. SCHIP COVERAGE OF CHILDREN ABOVE THE MED-**
5 **ICAID MANDATORY LEVEL FOR CERTAIN**
6 **STATES MEETING ADDITIONAL REQUIRE-**
7 **MENTS.**

8 Section 2110(b) of the Social Security Act (42 U.S.C.
9 1397jj(b)) is amended—

10 (1) in paragraph (1)(B)(ii)—

11 (A) by striking “or” at the end of sub-
12 clause (II);

13 (B) by by striking “and” at the end of
14 subclause (III) and inserting “or”; and

15 (C) by adding at the end the following new
16 subclause:

17 “(IV) who is residing in an eligible
18 State (as defined in paragraph (5))) and
19 whose family income (as determined under
20 the State child health plan) exceeds 133
21 percent of the poverty line but does not ex-
22 ceed 50 percentage points above the med-
23 icaid applicable income level; and”;

24 (2) in paragraph (1)(C), by striking “who is not
25 found to be eligible for medical assistance under title

1 XIX or” and inserting “who (i) is not found to be
2 eligible for medical assistance under title XIX or is
3 so eligible but is described in subparagraph
4 (B)(ii)(IV), and (ii) is not found to be”; and

5 (3) by adding at the end the following new
6 paragraph:

7 “(5) ELIGIBLE STATE.—For purposes of para-
8 graph (1)(B)(ii)(IV), an eligible State is a State
9 that, with respect to the fiscal year involved, meets
10 all of the following conditions:

11 “(A) EXPANDED ELIGIBILITY OF CHIL-
12 DREN UNDER MEDICAID.—The State’s plan for
13 medical assistance under title XIX provides, in
14 effect as of March 31, 1997, for eligibility for
15 medical assistance of children who are under 19
16 years of age and whose family income equals or
17 exceeds 185 percent of the poverty line.

18 “(B) HIGHEST SCHIP INCOME ELIGI-
19 BILITY.—The State child health plan (whether
20 implemented under this title or under title
21 XIX)—

22 “(i) has the highest income eligibility
23 standard permitted under this title as of
24 January 1, 2001;

1 “(ii) does not impose any waiting list,
2 numerical limitation, or similar limitation
3 on the eligibility of children for child
4 health assistance; and

5 “(iii) provides benefits to all children
6 in the State who apply for and meet eligi-
7 bility standards.

8 “(C) NO LOSS OF MEDICAID OR SCHIP
9 COVERAGE DUE TO INABILITY TO PAYMENT
10 PREMIUMS AND COST-SHARING.—The State’s
11 plan for medical assistance under title XIX and
12 the State child health plan do not deny an eligi-
13 ble child coverage or needed care because of an
14 inability to pay premiums or cost-sharing other-
15 wise imposed under the respective plan.

16 “(D) UNIFORM, SIMPLIFIED APPLICATION
17 FORM.—With respect to children who are eligi-
18 ble for medical assistance under section
19 1902(a)(10)(A), the State uses the same uni-
20 form, simplified application form (including, if
21 applicable, permitting application other than in
22 person) for purposes of establishing eligibility
23 for benefits under this title and also under title
24 XIX.

1 “(E) NO ASSET TEST.—The State does not
2 impose an asset test for eligibility under this
3 title or under section 1902(l) with respect to
4 children.

5 “(F) 12-MONTH CONTINUOUS ENROLL-
6 MENT.—The State has elected the option of
7 continuing eligibility under section 1902(e)(12)
8 and has elected a 12-month period under sub-
9 paragraph (A) of such section and provides for
10 a similar period of continuous eligibility under
11 the State child health plan.

12 “(G) COORDINATED ENROLLMENT PROC-
13 ESS.—The State’s enrollment process under
14 this title is coordinated with such process under
15 title XIX so that—

16 “(i) a family need only interact with a
17 single agency in order to determine wheth-
18 er a child is eligible for benefits under this
19 title or title XIX; and

20 “(ii) transfers of enrollment, without
21 a gap in coverage, automatically occur for
22 a child in a family the income of which
23 changes so that the child is no longer eligi-
24 ble for benefits under one such title but be-

1 comes eligible for benefits under the other
2 title.

3 “(H) SAME VERIFICATION AND REDETER-
4 MINATION POLICIES; AUTOMATIC REASSESS-
5 MENT OF ELIGIBILITY.—With respect to chil-
6 dren who are eligible for medical assistance
7 under section 1902(a)(10)(A), the State pro-
8 vides for initial eligibility determinations and
9 redeterminations of eligibility using the same
10 verification policies (including policies respect-
11 ing face-to-face interviews), forms, and fre-
12 quency as the State uses for such purposes
13 under this title, and, as part of such redeter-
14 minations, provides for the automatic reassess-
15 ment of the eligibility of such children for as-
16 sistance under this title and title XIX.”.

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