

108TH CONGRESS
2D SESSION

S. 2420

To amend title XXI of the Social Security Act to make all uninsured children eligible for the State children's health insurance program, to encourage States to increase the number of children enrolled in the medicaid and State children's health insurance programs by simplifying the enrollment and renewal procedures for those programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 13, 2004

Mr. GRAHAM of Florida introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XXI of the Social Security Act to make all uninsured children eligible for the State children's health insurance program, to encourage States to increase the number of children enrolled in the medicaid and State children's health insurance programs by simplifying the enrollment and renewal procedures for those 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 "SCHIP Expansion Act
5 of 2004".

1 **SEC. 2. ELIGIBILITY OF ALL UNINSURED CHILDREN FOR**
2 **SCHIP.**

3 (a) **IN GENERAL.**—Section 2110(b) of the Social Se-
4 curity Act (42 U.S.C. 1397jj(b)) is amended—

5 (1) in paragraph (1)—

6 (A) by striking subparagraph (B); and

7 (B) by redesignating subparagraph (C) as
8 subparagraph (B);

9 (2) in paragraph (2)—

10 (A) by striking “include” and all that fol-
11 lows through “a child who is an” and inserting
12 “include a child who is an”; and

13 (B) by striking the semicolon and all that
14 follows through the period and inserting a pe-
15 riod; and

16 (3) by striking paragraph (4).

17 (b) **NO EXCLUSION OF CHILDREN WITH ACCESS TO**
18 **HIGH-COST COVERAGE.**—Section 2110(b)(3) of the Social
19 Security Act (42 U.S.C. 1397jj(b)(3)) is amended—

20 (1) in the paragraph heading, by striking
21 “RULE” and inserting “RULES”;

22 (2) by striking “A child” and inserting the fol-
23 lowing:

24 “(A) **CERTAIN NON FEDERALLY FUNDED**
25 **COVERAGE.**—A child”; and

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

1 “(B) NO EXCLUSION OF CHILDREN WITH
2 ACCESS TO HIGH-COST COVERAGE.—A State
3 shall not exclude a child from being treated as
4 a targeted vulnerable child who has access to
5 coverage under a group health plan or health
6 insurance coverage if the total annual aggregate
7 cost for premiums, deductibles, cost sharing,
8 and similar charges imposed under the group
9 health plan or health insurance coverage with
10 respect to all targeted vulnerable children in the
11 child’s family exceeds 5 percent of such family’s
12 income for the year involved.”.

13 (c) CONFORMING AMENDMENTS.—

14 (1) Titles XIX and XXI of the Social Security
15 Act (42 U.S.C. 1396 et seq.; 1397aa et. seq.) are
16 amended by striking “targeted low-income” each
17 place it appears and inserting “targeted vulnerable”.

18 (2) Section 2102(b)(3)(C) of the Social Security
19 Act (42 U.S.C. 1397bb(b)(3)(C)) is amended by in-
20 serting “particularly with respect to children whose
21 family income exceeds 200 percent of the poverty
22 line” before the semicolon.

23 (d) EFFECTIVE DATE.—The amendments made by
24 this section take effect on October 1, 2004.

1 **SEC. 3. INCREASE IN FEDERAL FINANCIAL PARTICIPATION**
2 **UNDER SCHIP AND MEDICAID FOR STATES**
3 **WITH SIMPLIFIED ENROLLMENT AND RE-**
4 **NEWAL PROCEDURES FOR CHILDREN.**

5 (a) SCHIP.—Section 2105(c)(2) of the Social Secu-
6 rity Act (42 U.S.C. 1397ee(c)(2)) is amended by adding
7 at the end the following:

8 “(C) NONAPPLICATION OF LIMITATION
9 AND INCREASE IN FEDERAL PAYMENT FOR
10 STATES WITH SIMPLIFIED ENROLLMENT AND
11 RENEWAL PROCEDURES.—

12 “(i) IN GENERAL.—Notwithstanding
13 subsection (a)(1) and subparagraph (A)—

14 “(I) the limitation under sub-
15 paragraph (A) on expenditures for
16 items described in subsection
17 (a)(1)(D) shall not apply with respect
18 to expenditures incurred to carry out
19 any of the outreach strategies de-
20 scribed in clause (ii), but only if the
21 State carries out the same outreach
22 strategies for children under title
23 XIX; and

24 “(II) the enhanced FMAP for a
25 State for a fiscal year otherwise deter-
26 mined under subsection (b) shall be

1 increased by 5 percentage points
2 (without regard to the application of
3 the 85 percent limitation under that
4 subsection)) with respect to such ex-
5 penditures.

6 “(ii) OUTREACH STRATEGIES DE-
7 SCRIBED.—For purposes of clause (i), the
8 outreach strategies described in this clause
9 are the following:

10 “(I) PRESUMPTIVE ELIGI-
11 BILITY.—The State provides for pre-
12 sumptive eligibility for children under
13 this title and under title XIX.

14 “(II) ADOPTION OF 12-MONTH
15 CONTINUOUS ELIGIBILITY.—The
16 State provides that eligibility for chil-
17 dren shall not be redetermined more
18 often than once every year under this
19 title or under title XIX.

20 “(III) ELIMINATION OF ASSET
21 TEST.—The State does not apply any
22 asset test for eligibility under this title
23 or title XIX with respect to children.

24 “(IV) PASSIVE RENEWAL.—The
25 State provides for the automatic re-

1 newal of the eligibility of children for
2 assistance under this title and under
3 title XIX if the family of which such
4 a child is a member does not report
5 any changes to family income or other
6 relevant circumstances, subject to
7 verification of information from State
8 databases.”.

9 (b) MEDICAID.—

10 (1) IN GENERAL.—Section 1902(l) of the Social
11 Security Act (42 U.S.C. 1396a(l)) is amended—

12 (A) in paragraph (3), by inserting “subject
13 to paragraph (5)”, after “Notwithstanding sub-
14 section (a)(17),”; and

15 (B) by adding at the end the following:

16 “(5)(A) Notwithstanding the first sentence of section
17 1905(b), with respect to expenditures incurred to carry
18 out any of the outreach strategies described in subpara-
19 graph (B) for individuals under 19 years of age who are
20 eligible for medical assistance under subsection
21 (a)(10)(A), the Federal medical assistance percentage is
22 equal to the enhanced FMAP described in section 2105(b)
23 and increased under section 2105(c)(2)(C)(i)(II), but only
24 if the State carries out the same outreach strategies for
25 children under title XXI.

1 “(B) For purposes of subparagraph (A), the outreach
2 strategies described in this subparagraph are the fol-
3 lowing:

4 “(i) PRESUMPTIVE ELIGIBILITY.—The State
5 provides for presumptive eligibility for such individ-
6 uals under this title and title XXI.

7 “(ii) ADOPTION OF 12-MONTH CONTINUOUS ELI-
8 GIBILITY.—The State provides that eligibility for
9 such individuals shall not be redetermined more
10 often than once every year under this title or under
11 title XXI.

12 “(iii) ELIMINATION OF ASSET TEST.—The
13 State does not apply any asset test for eligibility
14 under this title or title XXI with respect to such in-
15 dividuals.

16 “(iv) PASSIVE RENEWAL.—The State provides
17 for the automatic renewal of the eligibility of such
18 individuals for assistance under this title and under
19 title XXI if the family of which such an individual
20 is a member does not report any changes to family
21 income or other relevant circumstances, subject to
22 verification of information from State databases.”.

23 “(2) CONFORMING AMENDMENT.—The first sen-
24 tence of section 1905(b) of the Social Security Act
25 (42 U.S.C. 1396d(b)) is amended by striking “sec-

1 **SEC. 5. LIMITATION ON PAYMENTS TO STATES THAT HAVE**
2 **AN ENROLLMENT CAP BUT HAVE NOT EX-**
3 **HAUSTED THE STATE'S AVAILABLE ALLOT-**
4 **MENTS.**

5 (a) IN GENERAL.—Section 2105 of the Social Secu-
6 rity Act (42 U.S.C. 1397ee) is amended by adding at the
7 end the following:

8 “(h) LIMITATION ON PAYMENTS TO STATES THAT
9 HAVE AN ENROLLMENT CAP BUT HAVE NOT EX-
10 HAUSTED THE STATE'S AVAILABLE ALLOTMENTS.—

11 “(1) IN GENERAL.—Notwithstanding any other
12 provision of this section, payment shall not be made
13 to a State under this section if the State has an en-
14 rollment freeze, enrollment cap, procedures to delay
15 consideration of, or not to consider, submitted appli-
16 cations for child health assistance, or a waiting list
17 for the submission or consideration of such applica-
18 tions or for such assistance, and the State has not
19 fully expended the amount of all allotments available
20 with respect to a fiscal year for expenditure by the
21 State, including allotments for prior fiscal years that
22 remain available for expenditure during the fiscal
23 year under subsection (c) or (g) of section 2104 or
24 that were redistributed to the State under subsection
25 (f) or (g) of section 2104.

1 “(2) **RULE OF CONSTRUCTION.**—Paragraph (1)
2 shall not be construed as prohibiting a State from
3 establishing regular open enrollment periods for the
4 submission of applications for child health assist-
5 ance.”.

6 (b) **EFFECTIVE DATE.**—The amendments made by
7 this section take effect on October 1, 2004.

8 **SEC. 6. APPLICATION OF MEDICAID MANAGED CARE RE-**
9 **QUIREMENTS TO SCHIP.**

10 (a) **IN GENERAL.**—Section 2107(e)(1) of the Social
11 Security Act (42 U.S.C. 1397gg(e)(1)) is amended by add-
12 ing at the end the following:

13 “(E) Sections 1903(m) and 1932 (relating
14 to requirements for managed care).”.

15 (b) **EFFECTIVE DATE.**—The amendment made by
16 subsection (a) takes effect on October 1, 2004.

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