

109TH CONGRESS
2D SESSION

S. 2772

To provide for innovation in health care through State initiatives that expand coverage and access and improve quality and efficiency in the health care system.

IN THE SENATE OF THE UNITED STATES

MAY 9, 2006

Mr. VOINOVICH (for himself, Mr. BINGAMAN, Mr. DEWINE, and Mr. AKAKA) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To provide for innovation in health care through State initiatives that expand coverage and access and improve quality and efficiency in the health care system.

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 “Health Partnership
5 Act”.

6 **SEC. 2. STATE HEALTH REFORM PROJECTS.**

7 (a) PURPOSE; ESTABLISHMENT OF STATE HEALTH
8 CARE EXPANSION AND IMPROVEMENT PROGRAM.—The

1 purposes of the programs approved under this section
2 shall include, but not be limited to—

3 (1) achieving the goals of increased health cov-
4 erage and access;

5 (2) ensuring that patients receive high-quality,
6 appropriate health care;

7 (3) improving the efficiency of health care
8 spending; and

9 (4) testing alternative reforms, such as building
10 on the public or private health systems, or creating
11 new systems, to achieve the objectives of this Act.

12 (b) APPLICATIONS BY STATES, LOCAL GOVERN-
13 MENTS, AND TRIBES.—

14 (1) ENTITIES THAT MAY APPLY.—

15 (A) IN GENERAL.—A State, in consultation
16 with local governments, Indian tribes, and In-
17 dian organizations involved in the provision of
18 health care, may apply for a State health care
19 expansion and improvement program for the
20 entire State (or for regions of the State) under
21 paragraph (2).

22 (B) REGIONAL GROUPS.—A regional entity
23 consisting of more than one State may apply
24 for a multi State health care expansion and im-

1 provement program for the entire region in-
2 volved under paragraph (2).

3 (C) DEFINITION.—In this Act, the term
4 “State” means the 50 States, the District of
5 Columbia, and the Commonwealth of Puerto
6 Rico. Such term shall include a regional entity
7 described in subparagraph (B).

8 (2) SUBMISSION OF APPLICATION.—In accord-
9 ance with this section, each State desiring to imple-
10 ment a State health care expansion and improve-
11 ment program may submit an application to the
12 State Health Innovation Commission under sub-
13 section (c) (referred to in this section as the “Com-
14 mission”) for approval.

15 (3) LOCAL GOVERNMENT APPLICATIONS.—

16 (A) IN GENERAL.—Where a State declines
17 to submit an application under this section, a
18 unit of local government of such State, or a
19 consortium of such units of local governments,
20 may submit an application directly to the Com-
21 mission for programs or projects under this
22 subsection. Such an application shall be subject
23 to the requirements of this section.

24 (B) OTHER APPLICATIONS.—Subject to
25 such additional guidelines as the Secretary may

1 prescribe, a unit of local government, Indian
 2 tribe, or Indian health organization may submit
 3 an application under this section, whether or
 4 not the State submits such an application, if
 5 such unit of local government can demonstrate
 6 unique demographic needs or a significant pop-
 7 ulation size that warrants a substate program
 8 under this subsection.

9 (c) STATE HEALTH INNOVATION COMMISSION.—

10 (1) IN GENERAL.—Within 90 days after the
 11 date of the enactment of this Act, the Secretary
 12 shall establish a State Health Innovation Commis-
 13 sion that shall—

14 (A) be comprised of—

15 (i) the Secretary;

16 (ii) four State governors to be ap-
 17 pointed by the National Governors Associa-
 18 tion on a bipartisan basis;

19 (iii) two members of a State legisla-
 20 ture to be appointed by the National Con-
 21 ference of State Legislators on a bipartisan
 22 basis;

23 (iv) two county officials to be ap-
 24 pointed by the National Association of
 25 Counties on a bipartisan basis;

1 (v) two mayors to be appointed by the
2 United States Conference of Mayors on a
3 bipartisan basis;

4 (vi) two individuals to be appointed by
5 the Speaker of the House of Representa-
6 tives;

7 (vii) two individuals to be appointed
8 by the Minority Leader of the House of
9 Representatives;

10 (viii) two individuals to be appointed
11 by the Majority Leader of the Senate;

12 (ix) two individuals to be appointed by
13 the Minority Leader of the Senate; and

14 (x) two individuals who are members
15 of federally-recognized Indian tribes to be
16 appointed on a bipartisan basis by the Na-
17 tional Congress of American Indians;

18 (B) upon approval of $\frac{2}{3}$ of the members of
19 the Commission, provide the States with a vari-
20 ety of reform options for their applications,
21 such as tax credit approaches, expansions of
22 public programs such as medicaid and the State
23 Children's Health Insurance Program, the cre-
24 ation of purchasing pooling arrangements simi-
25 lar to the Federal Employees Health Benefits

1 Program, individual market purchasing options,
2 single risk pool or single payer systems, health
3 savings accounts, a combination of the options
4 described in this clause, or other alternatives
5 determined appropriate by the Commission, in-
6 cluding options suggested by States, Indian
7 tribes, or the public;

8 (C) establish, in collaboration with a quali-
9 fied and independent organization such as the
10 Institute of Medicine, minimum performance
11 measures and goals with respect to coverage,
12 quality, and cost of State programs, as de-
13 scribed under subsection (d)(1);

14 (D) conduct a thorough review of the grant
15 application from a State and carry on a dia-
16 logue with all State applicants concerning pos-
17 sible modifications and adjustments;

18 (E) submit the recommendations and legis-
19 lative proposal described in subsection
20 (d)(4)(B);

21 (F) be responsible for monitoring the sta-
22 tus and progress achieved under program or
23 projects granted under this section;

24 (G) report to the public concerning
25 progress made by States with respect to the

performance measures and goals established under this Act, the periodic progress of the State relative to its State performance measures and goals, and the State program application procedures, by region and State jurisdiction;

(H) promote information exchange between States and the Federal Government; and

(I) be responsible for making recommendations to the Secretary and the Congress, using equivalency or minimum standards, for minimizing the negative effect of State program on national employer groups, provider organizations, and insurers because of differing State requirements under the programs.

(2) PERIOD OF APPOINTMENT; REPRESENTATION REQUIREMENTS; VACANCIES.—Members shall be appointed for a term of 5 years. In appointing such members under paragraph (1)(A), the designated appointing individuals shall ensure the representation of urban and rural areas and an appropriate geographic distribution of such members. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

1 (3) CHAIRPERSON, MEETINGS.—

2 (A) CHAIRPERSON.—The Commission shall
3 select a Chairperson from among its members.

4 (B) QUORUM.—A majority of the members
5 of the Commission shall constitute a quorum,
6 but a lesser number of members may hold hear-
7 ings.

8 (C) MEETINGS.—Not later than 30 days
9 after the date on which all members of the
10 Commission have been appointed, the Commis-
11 sion shall hold its first meeting. The Commis-
12 sion shall meet at the call of the Chairperson.

13 (4) POWERS OF THE COMMISSION.—

14 (A) NEGOTIATIONS WITH STATES.—The
15 Commission may conduct detailed discussions
16 and negotiations with States submitting appli-
17 cations under this section, either individually or
18 in groups, to facilitate a final set of rec-
19 ommendations for purposes of subsection
20 (d)(4)(B). Such negotiations shall include con-
21 sultations with Indian tribes, and be conducted
22 in a public forum.

23 (B) HEARINGS.—The Commission may
24 hold such hearings, sit and act at such times
25 and places, take such testimony, and receive

1 such evidence as the Commission considers ad-
2 visable to carry out the purposes of this sub-
3 section.

4 (C) MEETINGS.—In addition to other
5 meetings the Commission may hold, the Com-
6 mission shall hold an annual meeting with the
7 participating States under this section for the
8 purpose of having States report progress to-
9 ward the purposes in subsection (a)(1) and for
10 an exchange of information.

11 (D) INFORMATION.—The Commission may
12 secure directly from any Federal department or
13 agency such information as the Commission
14 considers necessary to carry out the provisions
15 of this subsection. Upon request of the Chair-
16 person of the Commission, the head of such de-
17 partment or agency shall furnish such informa-
18 tion to the Commission if the head of the de-
19 partment or agency involved determines it ap-
20 propriate.

21 (E) POSTAL SERVICES.—The Commission
22 may use the United States mails in the same
23 manner and under the same conditions as other
24 departments and agencies of the Federal Gov-
25 ernment.

1 (5) PERSONNEL MATTERS.—

2 (A) COMPENSATION.—Each member of the
3 Commission who is not an officer or employee
4 of the Federal Government or of a State or
5 local government shall be compensated at a rate
6 equal to the daily equivalent of the annual rate
7 of basic pay prescribed for level IV of the Exec-
8 utive Schedule under section 5315 of title 5,
9 United States Code, for each day (including
10 travel time) during which such member is en-
11 gaged in the performance of the duties of the
12 Commission. All members of the Commission
13 who are officers or employees of the United
14 States shall serve without compensation in addi-
15 tion to that received for their services as offi-
16 cers or employees of the United States.

17 (B) TRAVEL EXPENSES.—The members of
18 the Commission shall be allowed travel ex-
19 penses, including per diem in lieu of subsist-
20 ence, at rates authorized for employees of agen-
21 cies under subchapter I of chapter 57 of title 5,
22 United States Code, while away from their
23 homes or regular places of business in the per-
24 formance of services for the Commission.

1 (C) STAFF.—The Chairperson of the Com-
2 mission may, without regard to the civil service
3 laws and regulations, appoint and terminate an
4 executive director and such other additional
5 personnel as may be necessary to enable the
6 Commission to perform its duties. The employ-
7 ment of an executive director shall be subject to
8 confirmation by the Commission.

9 (D) DETAIL OF GOVERNMENT EMPLOY-
10 EES.—Any Federal Government employee may
11 be detailed to the Commission without reim-
12 bursement, and such detail shall be without
13 interruption or loss of civil service status or
14 privilege.

15 (E) TEMPORARY AND INTERMITTENT
16 SERVICES.—The Chairperson of the Commis-
17 sion may procure temporary and intermittent
18 services under section 3109(b) of title 5, United
19 States Code, at rates for individuals which do
20 not exceed the daily equivalent of the annual
21 rate of basic pay prescribed for level V of the
22 Executive Schedule under section 5316 of such
23 title.

24 (6) FUNDING.—For the purpose of carrying out
25 this subsection, there are authorized to be appro-

1 priated \$3,000,000 for fiscal year 2006 and each fis-
2 cal year thereafter.

3 (d) REQUIREMENTS FOR PROGRAMS.—

4 (1) STATE PLAN.—A State that seeks to receive
5 a grant under subsection (f) to operate a program
6 under this section shall prepare and submit to the
7 Commission, as part of the application under sub-
8 section (b), a State health care plan that shall have
9 as its goal improvements in coverage, quality and
10 costs. To achieve such goal, the State plan shall
11 comply with the following:

12 (A) COVERAGE.—With respect to coverage,
13 the State plan shall—

14 (i) provide and describe the manner in
15 which the State will ensure that an in-
16 creased number of individuals residing
17 within the State will have expanded access
18 to health care coverage with a specific 5-
19 year target for reduction in the number of
20 uninsured individuals through either pri-
21 vate or public program expansion, or both,
22 in accordance with the options established
23 by the Commission;

24 (ii) describe the number and percent-
25 age of current uninsured individuals who

1 will achieve coverage under the State
2 health program;

3 (iii) describe the minimum benefits
4 package that will be provided to all classes
5 of beneficiaries under the State health pro-
6 gram;

7 (iv) identify Federal, State, or local
8 and private programs that currently pro-
9 vide health care services in the State and
10 describe how such programs could be co-
11 ordinated with the State health program,
12 to the extent practicable; and

13 (v) provide for improvements in the
14 availability of appropriate health care serv-
15 ices that will increase access to care in
16 urban, rural, and frontier areas of the
17 State with medically underserved popu-
18 lations or where there is an inadequate
19 supply of health care providers.

20 (B) QUALITY.—With respect to quality,
21 the State plan shall—

22 (i) provide a plan to improve health
23 care quality in the State, including increas-
24 ing effectiveness, efficiency, timeliness, pa-

1 tient focused, equity while reducing health
2 disparities, and medical errors; and

3 (ii) contain appropriate results-based
4 quality indicators established by the Com-
5 mission that will be addressed by the State
6 as well as State-specific quality indicators.

7 (C) COSTS.—With respect to costs, the
8 State plan shall—

9 (i) provide that the State will develop
10 and implement systems to improve the effi-
11 ciency of health care, including a specific
12 5-year target for reducing administrative
13 costs (including paperwork burdens);

14 (ii) describe the public and private
15 sector financing to be provided for the
16 State health program;

17 (iii) estimate the amount of Federal,
18 State, and local expenditures, as well as,
19 the costs to business and individuals under
20 the State health program;

21 (iv) describe how the State plan will
22 ensure the financial solvency of the State
23 health program; and

24 (v) provide that the State will prepare
25 and submit to the Secretary and the Com-

mission such reports as the Secretary or Commission may require to carry out program evaluations.

(D) HEALTH INFORMATION TECHNOLOGY.—With respect to health information technology, the State plan shall provide methodology for the appropriate use of health information technology to improve infrastructure, such as improving the availability of evidence-based medical and outcomes data to providers and patients, as well as other health information (such as electronic health records, electronic billing, and electronic prescribing).

(2) TECHNICAL ASSISTANCE.—The Secretary shall, if requested, provide technical assistance to States to assist such States in developing applications and plans under this section, including technical assistance by private sector entities if determined appropriate by the Commission.

(3) INITIAL REVIEW.—With respect to a State application for a grant under subsection (b), the Secretary and the Commission shall complete an initial review of such State application within 60 days of the receipt of such application, analyze the scope of the proposal, and determine whether additional

1 information is needed from the State. The Commis-
2 sion shall advise the State within such period of the
3 need to submit additional information.

4 (4) FINAL DETERMINATION.—

5 (A) IN GENERAL.—Not later than 90 days
6 after completion of the initial review under
7 paragraph (3), the Commission shall determine
8 whether to submit a State proposal to Congress
9 for approval.

10 (B) VOTING.—

11 (i) IN GENERAL.—The determination
12 to submit a State proposal to Congress
13 under subparagraph (A) shall be approved
14 by $\frac{2}{3}$ of the members of the Commission
15 who are eligible to participate in such de-
16 termination subject to clause (ii).

17 (ii) ELIGIBILITY.—A member of the
18 Commission shall not participate in a de-
19 termination under subparagraph (A) if—

20 (I) in the case of a member who
21 is a Governor, such determination re-
22 lates to the State of which the mem-
23 ber is the Governor; or

24 (II) in the case of member not
25 described in subclause (I), such deter-

1 mination relates to the geographic
2 area of a State of which such member
3 serves as a State or local official.

4 (C) SUBMISSION.—Not later than 90 days
5 prior to October 1 of each fiscal year, the Com-
6 mission shall submit to Congress a list, in the
7 form of a legislative proposal, of the State ap-
8 plications that the Commission recommends for
9 approval under this section.

10 (D) APPROVAL.—With respect to a fiscal
11 year, a State proposal that has been rec-
12 ommended under subparagraph (B) shall be
13 deemed to be approved, and subject to the
14 availability of appropriations, Federal funds
15 shall be provided to such program, unless a
16 joint resolution has been enacted disapproving
17 such proposal as provided for in subsection (e).
18 Nothing in the preceding sentence shall be con-
19 strued to include the approval of State pro-
20 posals that involve waivers or modifications in
21 applicable Federal law.

22 (5) PROGRAM OR PROJECT PERIOD.—A State
23 program or project may be approved for a period of
24 5 years and may be extended for subsequent 5-year
25 periods upon approval by the Commission and the

1 Secretary, based upon achievement of targets, except
 2 that a shorter period may be requested by a State
 3 and granted by the Secretary.

4 (e) EXPEDITED CONGRESSIONAL CONSIDERATION.—

5 (1) INTRODUCTION AND COMMITTEE CONSIDER-
 6 ATION.—

7 (A) INTRODUCTION.—The legislative pro-
 8 posal submitted pursuant to subsection
 9 (d)(4)(B) shall be in the form of a joint resolu-
 10 tion (in this subsection referred to as the “reso-
 11 lution”). Such resolution shall be introduced in
 12 the House of Representatives by the Speaker,
 13 and in the Senate, by the Majority Leader, im-
 14 mediately upon receipt of the language and
 15 shall be referred to the appropriate committee
 16 of Congress. If the resolution is not introduced
 17 in accordance with the preceding sentence, the
 18 resolution may be introduced in either House of
 19 Congress by any member thereof.

20 (B) COMMITTEE CONSIDERATION.—A reso-
 21 lution introduced in the House of Representa-
 22 tives shall be referred to the Committee on
 23 Ways and Means of the House of Representa-
 24 tives. A resolution introduced in the Senate
 25 shall be referred to the Committee on Finance

1 of the Senate. Not later than 15 calendar days
2 after the introduction of the resolution, the
3 committee of Congress to which the resolution
4 was referred shall report the resolution or a
5 committee amendment thereto. If the committee
6 has not reported such resolution (or an iden-
7 tical resolution) at the end of 15 calendar days
8 after its introduction or at the end of the first
9 day after there has been reported to the House
10 involved a resolution, whichever is earlier, such
11 committee shall be deemed to be discharged
12 from further consideration of such reform bill
13 and such reform bill shall be placed on the ap-
14 propriate calendar of the House involved.

15 (2) EXPEDITED PROCEDURE.—

16 (A) CONSIDERATION.—Not later than 5
17 days after the date on which a committee has
18 been discharged from consideration of a resolu-
19 tion, the Speaker of the House of Representa-
20 tives, or the Speaker's designee, or the Majority
21 Leader of the Senate, or the Leader's designee,
22 shall move to proceed to the consideration of
23 the committee amendment to the resolution,
24 and if there is no such amendment, to the reso-
25 lution. It shall also be in order for any member

1 of the House of Representatives or the Senate,
2 respectively, to move to proceed to the consider-
3 ation of the resolution at any time after the
4 conclusion of such 5-day period. All points of
5 order against the resolution (and against con-
6 sideration of the resolution) are waived. A mo-
7 tion to proceed to the consideration of the reso-
8 lution is highly privileged in the House of Rep-
9 resentatives and is privileged in the Senate and
10 is not debatable. The motion is not subject to
11 amendment, to a motion to postpone consider-
12 ation of the resolution, or to a motion to pro-
13 ceed to the consideration of other business. A
14 motion to reconsider the vote by which the mo-
15 tion to proceed is agreed to or not agreed to
16 shall not be in order. If the motion to proceed
17 is agreed to, the House of Representatives or
18 the Senate, as the case may be, shall imme-
19 diately proceed to consideration of the resolu-
20 tion without intervening motion, order, or other
21 business, and the resolution shall remain the
22 unfinished business of the House of Represent-
23 atives or the Senate, as the case may be, until
24 disposed of.

1 (B) CONSIDERATION BY OTHER HOUSE.—

2 If, before the passage by one House of the reso-
 3 lution that was introduced in such House, such
 4 House receives from the other House a resolu-
 5 tion as passed by such other House—

6 (i) the resolution of the other House
 7 shall not be referred to a committee and
 8 may only be considered for final passage in
 9 the House that receives it under clause
 10 (iii);

11 (ii) the procedure in the House in re-
 12 ceipt of the resolution of the other House,
 13 with respect to the resolution that was in-
 14 troduced in the House in receipt of the res-
 15 olution of the other House, shall be the
 16 same as if no resolution had been received
 17 from the other House; and

18 (iii) notwithstanding clause (ii), the
 19 vote on final passage shall be on the re-
 20 form bill of the other House.

21 Upon disposition of a resolution that is received
 22 by one House from the other House, it shall no
 23 longer be in order to consider the resolution bill
 24 that was introduced in the receiving House.

1 (C) CONSIDERATION IN CONFERENCE.—

2 Immediately upon a final passage of the resolu-
3 tion that results in a disagreement between the
4 two Houses of Congress with respect to the res-
5 olution, conferees shall be appointed and a con-
6 ference convened. Not later than 10 days after
7 the date on which conferees are appointed, the
8 conferees shall file a report with the House of
9 Representatives and the Senate resolving the
10 differences between the Houses on the resolu-
11 tion. Notwithstanding any other rule of the
12 House of Representatives or the Senate, it shall
13 be in order to immediately consider a report of
14 a committee of conference on the resolution
15 filed in accordance with this subclause. Debate
16 in the House of Representatives and the Senate
17 on the conference report shall be limited to 10
18 hours, equally divided and controlled by the
19 Speaker of the House of Representatives and
20 the Minority Leader of the House of Represent-
21 atives or their designees and the Majority and
22 Minority Leaders of the Senate or their des-
23 ignees. A vote on final passage of the con-
24 ference report shall occur immediately at the

1 conclusion or yielding back of all time for de-
2 bate on the conference report.

3 (3) RULES OF THE SENATE AND HOUSE OF
4 REPRESENTATIVES.—This subsection is enacted by
5 Congress—

6 (A) as an exercise of the rulemaking power
7 of the Senate and House of Representatives, re-
8 spectively, and is deemed to be part of the rules
9 of each House, respectively, but applicable only
10 with respect to the procedure to be followed in
11 that House in the case of a resolution, and it
12 supersedes other rules only to the extent that it
13 is inconsistent with such rules; and

14 (B) with full recognition of the constitu-
15 tional right of either House to change the rules
16 (so far as they relate to the procedure of that
17 House) at any time, in the same manner, and
18 to the same extent as in the case of any other
19 rule of that House.

20 (4) LIMITATION.—The amount of Federal
21 funds provided with respect to any State proposal
22 that is deemed approved under subsection (d)(3)
23 shall not exceed the cost provided for such proposals
24 within the concurrent resolution on the budget as
25 enacted by Congress for the fiscal year involved.

1 (f) FUNDING.—

2 (1) IN GENERAL.—The Secretary shall provide
3 a grant to a State that has an application approved
4 under subsection (b) to enable such State to carry
5 out an innovative State health program in the State.

6 (2) AMOUNT OF GRANT.—The amount of a
7 grant provided to a State under paragraph (1) shall
8 be determined based upon the recommendations of
9 the Commission, subject to the amount appropriated
10 under subsection (k).

11 (3) PERFORMANCE-BASED FUNDING ALLOCA-
12 TION AND PRIORITIZATION.—In awarding grants
13 under paragraph (1), the Secretary shall—

14 (A) fund a diversity of approaches as pro-
15 vided for by the Commission in subsection
16 (c)(1)(B);

17 (B) give priority to those State programs
18 that the Commission determines have the great-
19 est opportunity to succeed in providing ex-
20 panded health insurance coverage and in pro-
21 viding children, youth, and other vulnerable
22 populations with improved access to health care
23 items and services; and

24 (C) link allocations to the State to the
25 meeting of the goals and performance measures

1 relating to health care coverage, quality, and
2 health care costs established under this Act
3 through the State project application process.

4 (4) MAINTENANCE OF EFFORT.—A State, in
5 utilizing the proceeds of a grant received under
6 paragraph (1), shall maintain the expenditures of
7 the State for health care coverage purposes for the
8 support of direct health care delivery at a level equal
9 to not less than the level of such expenditures main-
10 tained by the State for the fiscal year preceding the
11 fiscal year for which the grant is received.

12 (5) REPORT.—At the end of the 5-year period
13 beginning on the date on which the Secretary
14 awards the first grant under paragraph (1), the
15 State Health Innovation Advisory Commission estab-
16 lished under subsection (c) shall prepare and submit
17 to the appropriate committees of Congress, a report
18 on the progress made by States receiving grants
19 under paragraph (1) in meeting the goals of ex-
20 panded coverage, improved quality, and cost contain-
21 ment through performance measures established
22 during the 5-year period of the grant. Such report
23 shall contain the recommendation of the Commission
24 concerning any future action that Congress should
25 take concerning health care reform, including wheth-

er or not to extend the program established under this subsection.

(g) MONITORING AND EVALUATION.—

(1) ANNUAL REPORTS AND PARTICIPATION BY STATES.—Each State that has received a program approval shall—

(A) submit to the Commission an annual report based on the period representing the respective State’s fiscal year, detailing compliance with the requirements established by the Commission and the Secretary in the approval and in this section; and

(B) participate in the annual meeting under subsection (c)(4)(B).

(2) EVALUATIONS BY COMMISSION.—The Commission, in consultation with a qualified and independent organization such as the Institute of Medicine, shall prepare and submit to the Committee on Finance and the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce, the Committee on Education and the Workforce, and the Committee on Ways and Means of the House of Representatives annual reports that shall contain—

1 (A) a description of the effects of the re-
 2 forms undertaken in States receiving approvals
 3 under this section;

4 (B) a description of the recommendations
 5 of the Commission and actions taken based on
 6 these recommendations;

7 (C) an evaluation of the effectiveness of
 8 such reforms in—

9 (i) expanding health care coverage for
 10 State residents;

11 (ii) improving the quality of health
 12 care provided in the States; and

13 (iii) reducing or containing health
 14 care costs in the States;

15 (D) recommendations regarding the advis-
 16 ability of increasing Federal financial assistance
 17 for State ongoing or future health program ini-
 18 tiatives, including the amount and source of
 19 such assistance; and

20 (E) as required by the Commission or the
 21 Secretary under subsection (f)(5), a periodic,
 22 independent evaluation of the program.

23 (h) NONCOMPLIANCE.—

24 (1) CORRECTIVE ACTION PLANS.—If a State is
 25 not in compliance with a requirements of this sec-

1 tion, the Secretary shall develop a corrective action
2 plan for such State.

3 (2) TERMINATION.—For good cause and in con-
4 sultation with the Commission, the Secretary may
5 revoke any program granted under this section.
6 Such decisions shall be subject to a petition for re-
7 consideration and appeal pursuant to regulations es-
8 tablished by the Secretary.

9 (i) RELATIONSHIP TO FEDERAL PROGRAMS.—

10 (1) IN GENERAL.—Nothing in this Act, or in
11 section 1115 of the Social Security Act (42 U.S.C.
12 1315) shall be construed as authorizing the Sec-
13 retary, the Commission, a State, or any other person
14 or entity to alter or affect in any way the provisions
15 of title XIX of such Act (42 U.S.C. 1396 et seq.)
16 or the regulations implementing such title.

17 (2) MAINTENANCE OF EFFORT.—No payment
18 may be made under this section if the State adopts
19 criteria for benefits, income, and resource standards
20 and methodologies for purposes of determining an
21 individual's eligibility for medical assistance under
22 the State plan under title XIX that are more restric-
23 tive than those applied as of the date of enactment
24 of this Act.

25 (j) MISCELLANEOUS PROVISIONS.—

1 (1) APPLICATION OF CERTAIN REQUIRE-
2 MENTS.—

3 (A) RESTRICTION ON APPLICATION OF
4 PREEXISTING CONDITION EXCLUSIONS.—

5 (i) IN GENERAL.—Subject to subpara-
6 graph (B), a State shall not permit the im-
7 position of any preexisting condition exclu-
8 sion for covered benefits under a program
9 or project under this section.

10 (ii) GROUP HEALTH PLANS AND
11 GROUP HEALTH INSURANCE COVERAGE.—

12 If the State program or project provides
13 for benefits through payment for, or a con-
14 tract with, a group health plan or group
15 health insurance coverage, the program or
16 project may permit the imposition of a pre-
17 existing condition exclusion but only inso-
18 far and to the extent that such exclusion is
19 permitted under the applicable provisions
20 of part 7 of subtitle B of title I of the Em-
21 ployee Retirement Income Security Act of
22 1974 and title XXVII of the Public Health
23 Service Act.

24 (B) COMPLIANCE WITH OTHER REQUIRE-
25 MENTS.—Coverage offered under the program

1 or project shall comply with the requirements of
 2 subpart 2 of part A of title XXVII of the Public
 3 Health Service Act insofar as such require-
 4 ments apply with respect to a health insurance
 5 issuer that offers group health insurance cov-
 6 erage.

7 (2) PREVENTION OF DUPLICATIVE PAY-
 8 MENTS.—

9 (A) OTHER HEALTH PLANS.—No payment
 10 shall be made to a State under this section for
 11 expenditures for health assistance provided for
 12 an individual to the extent that a private in-
 13 surer (as defined by the Secretary by regulation
 14 and including a group health plan (as defined
 15 in section 607(1) of the Employee Retirement
 16 Income Security Act of 1974), a service benefit
 17 plan, and a health maintenance organization)
 18 would have been obligated to provide such as-
 19 sistance but for a provision of its insurance con-
 20 tract which has the effect of limiting or exclud-
 21 ing such obligation because the individual is eli-
 22 gible for or is provided health assistance under
 23 the plan.

24 (B) OTHER FEDERAL GOVERNMENTAL
 25 PROGRAMS.—Except as provided in any other

1 provision of law, no payment shall be made to
 2 a State under this section for expenditures for
 3 health assistance provided for an individual to
 4 the extent that payment has been made or can
 5 reasonably be expected to be made promptly (as
 6 determined in accordance with regulations)
 7 under any other federally operated or financed
 8 health care insurance program, other than an
 9 insurance program operated or financed by the
 10 Indian Health Service, as identified by the Sec-
 11 retary. For purposes of this paragraph, rules
 12 similar to the rules for overpayments under sec-
 13 tion 1903(d)(2) of the Social Security Act shall
 14 apply.

15 (3) APPLICATION OF CERTAIN GENERAL PROVI-
 16 SIONS.—The following sections of the Social Security
 17 Act shall apply to States under this section in the
 18 same manner as they apply to a State under such
 19 title XIX:

20 (A) TITLE XIX PROVISIONS.—

21 (i) Section 1902(a)(4)(C) (relating to
 22 conflict of interest standards).

23 (ii) Paragraphs (2), (16), and (17) of
 24 section 1903(i) (relating to limitations on
 25 payment).

1 (iii) Section 1903(w) (relating to limi-
 2 tations on provider taxes and donations).

3 (iv) Section 1920A (relating to pre-
 4 sumptive eligibility for children).

5 (B) TITLE XI PROVISIONS.—

6 (i) Section 1116 (relating to adminis-
 7 trative and judicial review), but only inso-
 8 far as consistent with this title.

9 (ii) Section 1124 (relating to disclo-
 10 sure of ownership and related informa-
 11 tion).

12 (iii) Section 1126 (relating to disclo-
 13 sure of information about certain convicted
 14 individuals).

15 (iv) Section 1128A (relating to civil
 16 monetary penalties).

17 (v) Section 1128B(d) (relating to
 18 criminal penalties for certain additional
 19 charges).

20 (vi) Section 1132 (relating to periods
 21 within which claims must be filed).

22 (4) RELATION TO OTHER LAWS.—

23 (A) HIPAA.—Health benefits coverage
 24 provided under a State program or project
 25 under this section shall be treated as creditable

1 coverage for purposes of part 7 of subtitle B of
2 title I of the Employee Retirement Income Se-
3 curity Act of 1974, title XXVII of the Public
4 Health Service Act, and subtitle K of the Inter-
5 nal Revenue Code of 1986.

6 (B) ERISA.—Nothing in this section shall
7 be construed as affecting or modifying section
8 514 of the Employee Retirement Income Secu-
9 rity Act of 1974 (29 U.S.C. 1144) with respect
10 to a group health plan (as defined in section
11 2791(a)(1) of the Public Health Service Act (42
12 U.S.C. 300gg–91(a)(1))).

13 (k) AUTHORIZATION OF APPROPRIATIONS.—There is
14 authorized to be appropriated to carry out this section,
15 such sums as may be necessary in each fiscal year.
16 Amounts appropriated for a fiscal year under this sub-
17 section and not expended may be used in subsequent fiscal
18 years to carry out this section.

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