

110TH CONGRESS  
1ST SESSION

# S. 1364

To amend titles XIX and XXI of the Social Security Act to extend the State Children’s Health Insurance Program (SCHIP) and streamline enrollment under SCHIP and Medicaid, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 10, 2007

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

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## A BILL

To amend titles XIX and XXI of the Social Security Act to extend the State Children’s Health Insurance Program (SCHIP) and streamline enrollment under SCHIP and Medicaid, 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; TABLE OF CONTENTS.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Healthy Kids Act of 2007”.

6       (b) TABLE OF CONTENTS.—The table of contents for  
7       this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—EXTENSION OF SCHIP

- Sec. 101. Extension of SCHIP program; increase in allotments to take into account growth in child population and health care costs.
- Sec. 102. 2-year initial availability of SCHIP allotments.
- Sec. 103. Redistribution of unused allotments to address State funding shortfalls.

## TITLE II—STATE OPTIONS FOR INCREASING COVERAGE OF CHILDREN AND PREGNANT WOMEN UNDER MEDICAID AND SCHIP

- Sec. 201. Bonus payments for States that implement administrative policies to streamline enrollment process.
- Sec. 202. State option to provide for “express lane” and simplified determinations of a child’s financial eligibility for medical assistance under Medicaid or child health assistance under SCHIP.
- Sec. 203. Information technology connections to improve health coverage determinations.
- Sec. 204. State option to expand or add coverage of certain pregnant women under Medicaid and SCHIP.
- Sec. 205. Optional coverage of legal immigrants under Medicaid and SCHIP.
- Sec. 206. Authorizing adjustment of SCHIP allotment due to increased outreach.
- Sec. 207. Model of Interstate coordinated enrollment and coverage process.
- Sec. 208. Authority for qualifying States to use portion of SCHIP allotment for any fiscal year for certain Medicaid expenditures.
- Sec. 209. Application of Medicaid outreach procedures to all pregnant women and children.
- Sec. 210. No impact on section 1115 waivers.
- Sec. 211. Elimination of counting Medicaid child presumptive eligibility costs against title XXI allotment.
- Sec. 212. Prohibiting limitations on enrollment.

## TITLE III—ELIMINATION OF CERTAIN BARRIERS TO COVERAGE

- Sec. 301. State option to require certain individuals to present satisfactory documentary evidence of proof of citizenship or nationality for purposes of eligibility for Medicaid.
- Sec. 302. Increased Federal matching rate for language services provided under Medicaid or SCHIP.

## TITLE IV—GRANTS TO PROMOTE INNOVATIVE OUTREACH AND ENROLLMENT UNDER MEDICAID AND SCHIP

- Sec. 401. Grants to promote innovative outreach and enrollment under Medicaid and SCHIP.

## TITLE V—IMPROVING THE QUALITY OF PEDIATRIC CARE

- Sec. 501. Requiring coverage of EPSDT services, including dental services, State option to provide supplemental coverage of dental services.
- Sec. 502. Pediatric quality and performance measures program.
- Sec. 503. Grants to States for demonstration projects transforming delivery of pediatric care.
- Sec. 504. Report by the comptroller general on design and implementation of a demonstration project evaluating existing quality and performance measures for children’s inpatient hospital services.
- Sec. 505. Medical home demonstration project.

Sec. 506. Disease prevention and treatment demonstration projects for ethnic and racial minority children.

TITLE VI—COMMISSION ON CHILDREN’S HEALTH COVERAGE

Sec. 601. Commission on Children’s Health Coverage.

**1 TITLE I—EXTENSION OF SCHIP**

**2 SEC. 101. EXTENSION OF SCHIP PROGRAM; INCREASE IN**  
**3 ALLOTMENTS TO TAKE INTO ACCOUNT**  
**4 GROWTH IN CHILD POPULATION AND**  
**5 HEALTH CARE COSTS.**

**6 (a) IN GENERAL.**—Section 2104 of the Social Secu-  
**7 rity Act (42 U.S.C. 1397dd) is amended—**

**8 (1) in subsection (a)—**

**9 (A) by striking “and” at the end of para-**  
**10 graph (9);**

**11 (B) by striking the period at the end of**  
**12 paragraph (10) and inserting “; and”; and**

**13 (C) by adding at the end the following new**  
**14 paragraph:**

**15 “(11) for each fiscal year 2008 and each subse-**  
**16 quent fiscal year, \$7,500,000,000 multiplied by the**  
**17 population and cost inflation factor for that fiscal**  
**18 year, as determined under subsection (i).”; and**

**19 (2) by adding at the end the following new sub-**  
**20 section:**

**21 “(i) POPULATION AND COST INFLATION FACTOR.—**  
**22 For purposes of subsection (a)(11), the population and**

1 cost inflation factor for a fiscal year is equal to the prod-  
 2 uct of the following:

3 “(1) CHILD POPULATION GROWTH FACTOR.—

4 One plus the percentage increase in the population  
 5 of children under 20 years of age in the United  
 6 States from July 1, 2007, to July 1 during the fiscal  
 7 year involved, as projected by the Secretary based on  
 8 the most recent published estimates of the Bureau  
 9 of the Census before the beginning of the fiscal year  
 10 involved.

11 “(2) PER CAPITA HEALTH CARE GROWTH FAC-

12 TOR.—One plus the percentage increase in the pro-  
 13 jected per capita amount of National Health Ex-  
 14 penditures from fiscal year 2007 to the fiscal year  
 15 involved, as most recently published by the Secretary  
 16 before the beginning of the fiscal year involved.”.

17 (b) ADDITIONAL ALLOTMENTS TO TERRITORIES.—

18 Section 2104(c)(4)(B) of such Act (42 U.S.C.  
 19 1397dd(c)(4)(B)) is amended by striking “and  
 20 \$40,000,000 for fiscal year 2007” and inserting  
 21 “\$40,000,000 for fiscal year 2007, and for each of fiscal  
 22 years 2008 through 2017, the amount appropriated under  
 23 this subparagraph for the preceding fiscal year increased  
 24 by the population and cost inflation factor for that fiscal  
 25 year, as determined under subsection (i)”.

1 **SEC. 102. 2-YEAR INITIAL AVAILABILITY OF SCHIP ALLOT-**  
 2 **MENTS.**

3 Section 2104(e) of the Social Security Act (42 U.S.C.  
 4 1397dd(e)) is amended to read as follows:

5 “(e) AVAILABILITY OF AMOUNTS ALLOTTED.—

6 “(1) IN GENERAL.—Except as provided in para-  
 7 graphs (2) and (3), amounts allotted to a State pur-  
 8 suant to this section—

9 “(A) for each of fiscal years 1998 through  
 10 2007, shall remain available for expenditure by  
 11 the State through the end of the second suc-  
 12 ceeding fiscal year; and

13 “(B) for fiscal year 2008 and each fiscal  
 14 year thereafter, shall remain available for ex-  
 15 penditure by the State through the end of the  
 16 succeeding fiscal year.

17 “(2) AVAILABILITY OF AMOUNTS REALLOT-  
 18 TED.—Subject to paragraph (3), amounts reallocated  
 19 to a State under subsection (f) shall be available for  
 20 expenditure by the State through the end of the fis-  
 21 cal year in which they are reallocated.

22 “(3) PERMANENT AVAILABILITY OF UNUSED  
 23 FUNDS.—Reallocated funds that are not used by the  
 24 end of the fiscal year described in paragraph (2)  
 25 shall be subject to reallocation under subsection (f)  
 26 in subsequent fiscal years subject to such paragraph

1 and shall remain available for subsequent reallocot-  
 2 ment until expended.”.

3 **SEC. 103. REDISTRIBUTION OF UNUSED ALLOTMENTS TO**  
 4 **ADDRESS STATE FUNDING SHORTFALLS.**

5 Section 2104(f) of the Social Security Act (42 U.S.C.  
 6 1397dd(f)) is amended—

7 (1) by striking “The Secretary” and inserting  
 8 the following:

9 “(1) IN GENERAL.—The Secretary”;

10 (2) by striking “States that have fully expended  
 11 the amount of their allotments under this section”  
 12 and inserting “States that the Secretary determines  
 13 with respect to the fiscal year for which unused al-  
 14 lotments are available for redistribution under this  
 15 subsection, are shortfall States described in para-  
 16 graph (2) for such fiscal year”; and

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

19 “(2) SHORTFALL STATES DESCRIBED.—

20 “(A) IN GENERAL.—For purposes of para-  
 21 graph (1), with respect to a fiscal year, a short-  
 22 fall State described in this subparagraph is a  
 23 State with a State child health plan approved  
 24 under this title for which the Secretary esti-  
 25 mates on the basis of the most recent data

1 available to the Secretary, that the projected ex-  
2 penditures under such plan for the State for the  
3 fiscal year will exceed the sum of—

4 “(i) the amount of the State’s allot-  
5 ments for any preceding fiscal years that  
6 remain available for expenditure and that  
7 will not be expended by the end of the im-  
8 mediately preceding fiscal year; and

9 “(ii) the amount of the State’s allot-  
10 ment for the fiscal year (taking into ac-  
11 count any increase made in such allotment  
12 under section 2104(j), as added by section  
13 205(a) of the Healthy Kids Act of 2007).

14 “(B) PRORATION RULE.—If the amounts  
15 available for redistribution under paragraph (1)  
16 for a fiscal year are less than the total amounts  
17 of the estimated shortfalls determined for the  
18 year under subparagraph (A), the amount to be  
19 reallotted under such paragraph for each short-  
20 fall State shall be reduced proportionally.

21 “(C) RETROSPECTIVE ADJUSTMENT.—The  
22 Secretary may adjust the estimates and deter-  
23 minations made under paragraph (1) and this  
24 paragraph with respect to a fiscal year as nec-  
25 essary on the basis of the amounts reported by

States not later than November 30 of the succeeding fiscal year, as approved by the Secretary.”.

## **TITLE II—STATE OPTIONS FOR INCREASING COVERAGE OF CHILDREN AND PREGNANT WOMEN UNDER MEDICAID AND SCHIP**

### **SEC. 201. BONUS PAYMENTS FOR STATES THAT IMPLEMENT ADMINISTRATIVE POLICIES TO STREAMLINE ENROLLMENT PROCESS.**

(a) BONUS IN FMAP AND ENHANCED FMAP FOR APPLICATION OF STREAMLINE ENROLLMENT PROCEDURES UNDER MEDICAID AND SCHIP.—Section 2102 of the Social Security Act (42 U.S.C. 1397bb) is amended by adding at the end the following new subsection:

“(d) STREAMLINE ENROLLMENT PROCEDURES.—

“(1) INCREASE IN FEDERAL MATCHING RATE.—

“(A) IN GENERAL.—In the case of a State that meets the conditions described in subparagraph (B) (relating to agreeing to implement administrative enrollment policies under this title and title XIX) for a fiscal year, the Federal medical assistance percentage (for purposes



of title XIX only) and the enhanced FMAP (for purposes of this title, but determined without regard to the application of this subsection to the Federal medical assistance percentage under title XIX) otherwise computed for such fiscal year as applied to medical assistance for children and child health assistance, respectively, shall be increased by such number of percentage points as the Secretary determines is necessary to provide an incentive for the State to satisfy the conditions described in subparagraph (B) (but not to exceed such number of percentage points that would result in a Federal medical assistance percentage or enhanced FMAP for the State that would exceed 83 or 85 percent, respectively).

“(B) AGREEING TO REMOVE ENROLLMENT AND ACCESS BARRIERS.—The conditions described in this subparagraph, for a State for a fiscal year are that the State agrees to do the following:

“(i) PRESUMPTIVE ELIGIBILITY FOR CHILDREN.—The State agrees—

“(I) to provide presumptive eligibility for children under this title and

1 title XIX in accordance with section  
2 1920A; and

3 “(II) to treat any items or serv-  
4 ices that are provided to an uncovered  
5 child (as defined in section  
6 2110(c)(8)) who is determined ineli-  
7 gible for medical assistance under title  
8 XIX as child health assistance for  
9 purposes of paying a provider of such  
10 items or services, so long as such  
11 items or services would be considered  
12 child health assistance for a targeted  
13 low-income child under this title.

14 “(ii) 12-MONTH CONTINUOUS ELIGI-  
15 BILITY.—The State agrees to provide that  
16 eligibility of children for assistance under  
17 this title and title XIX shall not be regu-  
18 larly redetermined more often than once  
19 every year.

20 “(iii) AUTOMATIC RENEWAL.—The  
21 State agrees to provide for the automatic  
22 renewal of the eligibility of children for as-  
23 sistance under this title and under title  
24 XIX if the child’s family does not report  
25 any changes to family income or other rel-

1 evant circumstances, subject to verification  
 2 of information from databases available to  
 3 the State for such purpose.

4 “(iv) ELIMINATION OF ASSET TEST.—  
 5 The State has amended its plans under  
 6 this title and title XIX so that no asset or  
 7 resource test is applied for eligibility under  
 8 this title or title XIX with respect to chil-  
 9 dren.

10 “(v) ADMINISTRATIVE VERIFICATION  
 11 OF INCOME.—The State agrees to permit  
 12 the family of a child applying for child  
 13 health assistance under this title or med-  
 14 ical assistance under title XIX to declare  
 15 and certify, by signature under penalty of  
 16 perjury, the family income for purposes of  
 17 collecting financial eligibility information.”.

18 (b) CONFORMING MEDICAID AMENDMENTS.—

19 (1) IN GENERAL.—Section 1905(b) of the So-  
 20 cial Security Act (42 U.S.C. 1396d(b)) is amended  
 21 by inserting “and section 2102(d)(1)” after “section  
 22 1933(d)”.

23 (2) INCREASE IN MEDICAID CAP FOR TERRI-  
 24 TORIES.—Section 1108(g) of such Act (42 U.S.C.  
 25 1308(g)) is amended—

1 (A) in paragraph (2), by striking “para-  
 2 graph (3)” and inserting “paragraphs (3) and  
 3 (4)”; and

4 (B) by adding at the end the following new  
 5 paragraph:

6 “(4) DISREGARD OF INCREASED EXPENDI-  
 7 TURES DIRECTLY ATTRIBUTABLE TO INCREASE IN  
 8 FMAP FOR APPLICATION OF STREAMLINED ENROLL-  
 9 MENT PROCEDURES.—The limitation of paragraph  
 10 (2) shall not apply to payment under title XIX to a  
 11 territory insofar as such payment is attributable to  
 12 an increase in the Federal medical assistance per-  
 13 centage under subparagraph (A) of section  
 14 2102(d)(1).”.

15 (c) EFFECTIVE DATE.—The amendments made by  
 16 this section shall apply beginning with fiscal year 2007.

17 **SEC. 202. STATE OPTION TO PROVIDE FOR “EXPRESS LANE”**  
 18 **AND SIMPLIFIED DETERMINATIONS OF A**  
 19 **CHILD’S FINANCIAL ELIGIBILITY FOR MED-**  
 20 **ICAL ASSISTANCE UNDER MEDICAID OR**  
 21 **CHILD HEALTH ASSISTANCE UNDER SCHIP.**

22 (a) MEDICAID.—Section 1902(e) of the Social Secu-  
 23 rity Act (42 U.S.C. 1396a(e)) is amended by adding at  
 24 the end the following:

1       “(13)(A) At the option of the State, the plan may  
2 provide that eligibility requirements (including such re-  
3 quirements applicable to redeterminations or renewals of  
4 eligibility) for medical assistance relating to income, assets  
5 (or resources), or citizenship status are met for a child  
6 who is under an age specified by the State (not to exceed  
7 21 years of age) by using a determination made within  
8 a reasonable period (as determined by the State) before  
9 its use for this purpose, of the child’s family or household  
10 income, or if applicable for purposes of determining eligi-  
11 bility under this title or title XXI, assets or resources, or  
12 citizenship status, respectively, (notwithstanding any other  
13 provision of law, including sections 1902(a)(46)(B),  
14 1903(x), and 1137(d)), by a Federal or State agency, or  
15 a public or private entity making such determination on  
16 behalf of such agency, specified by the plan, including an  
17 agency administering the State program funded under  
18 part A of title IV, the Food Stamp Act of 1977, the Rich-  
19 ard B. Russell National School Lunch Act, or the Child  
20 Nutrition Act of 1966, notwithstanding any differences in  
21 budget unit, disregard, deeming, or other methodology,  
22 but only if—  
23               “(i) the agency has fiscal liabilities or respon-  
24               sibilities affected by such determination; and

1           “(ii) the agency or entity notifies the child’s  
2       family—

3           “(I) of the information which shall be dis-  
4       closed in accordance with this subparagraph;

5           “(II) that the information disclosed will be  
6       used solely for purposes of determining eligi-  
7       bility for medical assistance under this title or  
8       for child health assistance under title XXI; and

9           “(III) that interagency agreements limit  
10       the use of such information to that purpose;  
11       and

12           “(iii) the requirements of section 1939 are sat-  
13       isfied.

14       “(B) Nothing in this paragraph shall be construed  
15       to relieve a State of the obligation to determine, on an-  
16       other basis, eligibility for medical assistance under this  
17       title or for child health assistance under title XXI if a  
18       child is determined ineligible for such assistance on the  
19       basis of information furnished pursuant to this paragraph.

20       “(C) If a State applies the eligibility process de-  
21       scribed in subparagraph (A) to individuals eligible under  
22       this title and to individuals eligible under title XXI, the  
23       State may, at its option, implement its duties under sub-  
24       paragraphs (A) and (B) of section 2102(b)(3) using either  
25       or both of the following approaches:

1 “(i) The State may—

2 “(I) establish a threshold percentage of the  
3 Federal poverty level (that shall exceed the in-  
4 come eligibility level applicable for a population  
5 of individuals under this title by 30 percentage  
6 points (as a fraction of the Federal poverty  
7 level) or such other higher number of percent-  
8 age points as the State determines reflects the  
9 typical application of income methodologies by  
10 the non-health program and the State plan  
11 under this title); and

12 “(II) provide that, with respect to any in-  
13 dividual within such population whom a non-  
14 health agency determines has income that does  
15 not exceed such threshold percentage for such  
16 population, such individual is eligible for med-  
17 ical assistance under this title (regardless of  
18 whether such individual would otherwise be de-  
19 termined to be eligible to receive such assist-  
20 ance).

21 In exercising the approach under this clause, a State  
22 shall inform families whose children are enrolled in  
23 a State child health plan under title XXI based on  
24 having family income above the threshold described  
25 in subclause (I) that they may qualify for medical

1 assistance under this title and, at their option, can  
2 seek a regular eligibility determination for such as-  
3 sistance for their child.

4 “(ii) Regardless of whether a State otherwise  
5 provides for presumptive eligibility under section  
6 1920A, a State may provide presumptive eligibility  
7 under this title, consistent with subsection (e) of sec-  
8 tion 1920A, to a child who, based on a determina-  
9 tion by a non-health agency, would qualify for child  
10 health assistance under a State child health plan  
11 under title XXI. During such presumptive eligibility  
12 period, the State may determine the child’s eligibility  
13 for medical assistance under this title, pursuant to  
14 subparagraph (A) of section 2102(b)(3), based on  
15 telephone contact with family members, access to  
16 data available in electronic or paper form, and other  
17 means of gathering information that are less bur-  
18 densome to the family than completing an applica-  
19 tion form on behalf of the child. The procedures de-  
20 scribed in the previous sentence may be used regard-  
21 less of whether the State uses similar procedures  
22 under other circumstances for purposes of deter-  
23 mining eligibility for medical assistance under this  
24 title.



1       “(D) At the option of a State, the eligibility process  
2 described in subparagraph (A) may apply to an individual  
3 who is not a child.

4       “(E)(i) At the option of a State, an individual deter-  
5 mined to be eligible for medical assistance or child health  
6 assistance pursuant to subparagraph (A), (C), or (D) or  
7 other procedures through which eligibility is determined  
8 based on data obtained from sources other than the indi-  
9 vidual may receive medical assistance under this title if  
10 such individual (or, in the case of an individual under age  
11 19 (or if the State elects the option under subparagraph  
12 (A), age 20 or 21) who is not authorized to consent to  
13 medical care, the individual’s parent, guardian, or other  
14 caretaker relative) has acknowledged notice of such deter-  
15 mination and has consented to such eligibility determina-  
16 tion. The State (at its option) may waive any otherwise  
17 applicable requirements for signatures by or on behalf of  
18 an individual who has so consented.

19       “(ii) In the case of an individual enrolled pursuant  
20 to clause (i), the State shall inform the individual (or, in  
21 the case of an individual under age 19 (or if the State  
22 elects the option under subparagraph (A), age 20 or 21),  
23 the individual’s parent, guardian, or other caretaker rel-  
24 ative) about the significance of such enrollment, including  
25 appropriate methods to access covered services.

1 “(F) For purposes of this paragraph—

2 “(i) the term ‘non-health agency’ means an  
3 agency or entity described in subparagraph (A); and

4 “(ii) the term ‘non-health benefits’ means the  
5 benefits or assistance provided by a non-health agen-  
6 cy.”.

7 (b) SCHIP.—Section 2107(e)(1) of such Act (42  
8 U.S.C. 1397gg(e)(1)) is amended by redesignating sub-  
9 paragraphs (B) through (E) as subparagraphs (C)  
10 through (F) and by inserting after subparagraph (B) the  
11 following new subparagraph:

12 “(C) Section 1902(e)(13) (relating to the  
13 State option to base a determination of a child’s  
14 eligibility for assistance on determinations made  
15 by a program providing nutrition or other pub-  
16 lic assistance (except that the State option  
17 under subparagraph (D) of such section shall  
18 apply under this title only if an individual is  
19 pregnant)).”.

20 (c) PRESUMPTIVE ELIGIBILITY.—Section 1920A of  
21 such Act (42 U.S.C. 1396r–1a) is amended—

22 (1) in subsection (b)(3)(A)(i), is amended by  
23 striking “or (IV)” and inserting “(IV) is an agency  
24 or entity described in section 1902(e)(13)(A), or  
25 (V)”; and

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

2 “(e) In the case of a State with a child health plan  
 3 under title XXI that provides for presumptive eligibility  
 4 under such plan for children, the State shall make a rea-  
 5 sonable effort to place each presumptively eligible child in  
 6 the program under this title or title XXI for which the  
 7 child appears most likely to qualify. During the child’s pe-  
 8 riod of presumptive eligibility, the State shall receive Fed-  
 9 eral matching funds under section 1903 or section 2105,  
 10 depending on the program in which the child has been  
 11 placed. If at the conclusion of such period, the child is  
 12 found to qualify for, and is enrolled in, the program estab-  
 13 lished under this title or title XXI when the child was en-  
 14 rolled in the program under the other such title during  
 15 such period, the State’s receipt of Federal matching funds  
 16 shall be adjusted both retroactively and prospectively so  
 17 that Federal matching funds are provided, both during  
 18 and following such period of presumptive eligibility, based  
 19 on the program in which the child is enrolled.”.

20 (d) SIGNATURE REQUIREMENTS.—Section 1902(a)  
 21 of such Act (42 U.S.C. 1396a(a)) is amended by adding  
 22 at the end the following: “Notwithstanding any other pro-  
 23 vision of law, a signature under penalty of perjury shall  
 24 not be required on an application form for medical assist-  
 25 ance as to any element of eligibility for which eligibility

1 is based on information received from a source other than  
 2 applicant, rather than on representations from the appli-  
 3 cant. Notwithstanding any other provision of law, any sig-  
 4 nature requirement for an application for medical assist-  
 5 ance may be satisfied through an electronic signature, as  
 6 defined in section 1710(1) of the Government Paperwork  
 7 Elimination Act (44 U.S.C. 3504 note).”.

8 **SEC. 203. INFORMATION TECHNOLOGY CONNECTIONS TO**  
 9 **IMPROVE HEALTH COVERAGE DETERMINA-**  
 10 **TIONS.**

11 (a) ENHANCED FEDERAL FUNDING FOR IMPROVE-  
 12 MENTS RELATED TO IMPLEMENTATION OF CERTAIN  
 13 MODEL OUTREACH AND ENROLLMENT PRACTICES.—

14 (1) IN GENERAL.—Section 1903(a)(3)(A) of the  
 15 Social Security Act (42 U.S.C. 1396b(a)(3)(A)) is  
 16 amended—

17 (A) by striking “and” at the end of clause  
 18 (i); and

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

21 “(iii) 75 percent of so much of the sums  
 22 expended during such quarter as are attrib-  
 23 utable to the design, development, or installa-  
 24 tion of such mechanized claims processing and  
 25 information retrieval systems and the imple-

1           mentation of administrative systems and proc-  
 2           esses (including modification of eligibility com-  
 3           puter systems to permit the exchange of elec-  
 4           tronic information with other Federal or State  
 5           programs) as the Secretary determines are di-  
 6           rectly related to the implementation of a model  
 7           outreach and enrollment practice described in  
 8           subparagraph (B), (C), (D), (E), or (F) of sec-  
 9           tion 1905(y)(3), and”.

10           (2) CONFORMING AMENDMENT TO ENSURE  
 11           AVAILABILITY FOR TERRITORIES.—Section 1108(g)  
 12           of such Act (42 U.S.C. 1308(g)), as amended by  
 13           section 201(b)(2)(B), is amended—

14                   (A) in paragraph (2), by striking “and  
 15                   (4)” and inserting “, (4), and (5)”; and

16                   (B) by adding at the end the following new  
 17                   paragraph:

18                   “(5) ADDITIONAL INCREASE FOR CERTAIN EX-  
 19                   PENDITURES.—With respect to fiscal year 2008 and  
 20                   each fiscal year thereafter, if Puerto Rico, the Virgin  
 21                   Islands, Guam, the Northern Mariana Islands, or  
 22                   American Samoa qualify for a payment under sec-  
 23                   tion 1903(a)(3)(A)(iii) for a calendar quarter of  
 24                   such fiscal year, the additional Federal financial par-  
 25                   ticipation under such section shall not be counted to-

1       wards the limitation on expenditures under title XIX  
 2       for such commonwealth or territory otherwise deter-  
 3       mined under subsection (f) and this subsection for  
 4       such fiscal year.”.

5       (b) AUTHORIZATION OF INFORMATION DISCLO-  
 6 SURE.—

7           (1) IN GENERAL.—Title XIX of such Act (42  
 8       U.S.C. 1396 et seq.) is amended—

9           (A) by redesignating section 1939 as sec-  
 10       tion 1940; and

11          (B) by inserting after section 1938 the fol-  
 12       lowing:

13       “AUTHORIZATION TO RECEIVE PERTINENT INFORMATION  
 14       “SEC. 1939. (a) IN GENERAL.—Notwithstanding any  
 15       other provision of law, a Federal or State agency or pri-  
 16       vate entity in possession of the sources of data potentially  
 17       pertinent to eligibility determinations under this title or  
 18       title XXI (including eligibility files maintained by pro-  
 19       grams described in section 1902(e)(13)(A), information  
 20       described in paragraph (2) or (3) of section 1137(a), vital  
 21       records information about births in any State, and infor-  
 22       mation described in sections 453(i) and 1902(a)(25)(I))  
 23       is authorized to convey such data or information to a State  
 24       agency administering a State plan under this title or title  
 25       XXI, if—

1           “(1) such data or information are used only to  
2       establish or verify eligibility or provide coverage  
3       under this title or title XXI; and

4           “(2) an interagency or other agreement, con-  
5       sistent with standards developed by the Secretary,  
6       prevents the unauthorized use, disclosure, or modi-  
7       fication of such data and otherwise meets applicable  
8       Federal requirements safeguarding privacy and data  
9       security.

10       “(b) REQUIREMENTS FOR CONVEYANCE.—Data or  
11   information may be conveyed pursuant to this section only  
12   if the following requirements are met:

13           “(1) The individual whose circumstances are  
14       described in the data or information (or such indi-  
15       vidual’s parent, guardian, caretaker relative, or au-  
16       thorized representative) has either provided advance  
17       consent to disclosure or has not objected to disclo-  
18       sure after receiving advance notice of disclosure and  
19       a reasonable opportunity to object.

20           “(2) Such data or information are used solely  
21       for the purposes of—

22           “(A) identifying individuals who are eligi-  
23       ble or potentially eligible for assistance under  
24       this title or title XXI and enrolling such indi-

1           viduals in the State plans established under  
2           such titles; and

3                 “(B) verifying the eligibility of individuals  
4           for assistance under the State plans established  
5           under this title or title XXI.

6                 “(3) An interagency or other agreement, con-  
7           sistent with standards developed by the Secretary—

8                 “(A) prevents the unauthorized use, disclo-  
9           sure, or modification of such data and other-  
10          wise meets applicable Federal requirements  
11          safeguarding privacy and data security; and

12                 “(B) requires the State agencies admin-  
13          istering the State plans established under this  
14          title and title XXI to use the data and informa-  
15          tion obtained under this section to seek to en-  
16          roll individuals in such plans.

17                 “(c) CRIMINAL PENALTY.—A person described in the  
18          subsection (a) who publishes, divulges, discloses, or makes  
19          known in any manner, or to any extent not authorized by  
20          Federal law, any information obtained under this section  
21          shall be fined not more than \$1,000 or imprisoned not  
22          more than 1 year, or both for each such unauthorized ac-  
23          tivity.

24                 “(d) RULE OF CONSTRUCTION.—The limitations and  
25          requirements that apply to disclosure pursuant to this sec-



1 tion shall not be construed to prohibit the conveyance or  
 2 disclosure of data or information otherwise permitted  
 3 under Federal law (without regard to this section).”.

4 (2) CONFORMING AMENDMENT TO ASSURE AC-  
 5 CESS TO NATIONAL NEW HIRES DATABASE.—Section  
 6 453(i)(1) of such Act (42 U.S.C. 653(i)(1)) is  
 7 amended by striking “and programs funded under  
 8 part A” and inserting “, programs funded under  
 9 part A, and State plans approved under title XIX or  
 10 XXI”.

11 (3) CONFORMING AMENDMENT TO PROVIDE  
 12 SCHIP PROGRAMS WITH ACCESS TO NATIONAL IN-  
 13 COME DATA.—Section 6103(l)(7)(D)(ii) of the Inter-  
 14 nal Revenue Code of 1986 is amended by inserting  
 15 “or title XXI” after “title XIX”.

16 (4) CONFORMING AMENDMENT TO PROVIDE AC-  
 17 CESS TO DATA ABOUT ENROLLMENT IN INSURANCE  
 18 FOR PURPOSES OF EVALUATING APPLICATIONS AND  
 19 FOR SCHIP.—Section 1902(a)(25)(I)(i) of the Social  
 20 Security Act (42 U.S.C. 1396a(a)(25)(I)(i)) is  
 21 amended—

22 (A) by inserting “(and, at State option, in-  
 23 dividuals who are potentially eligible or who  
 24 apply)” after “with respect to individuals who  
 25 are eligible”; and

1 (B) by inserting “under this title (and, at  
 2 State option, child health assistance under title  
 3 XXI)” after “the State plan”.

4 **SEC. 204. STATE OPTION TO EXPAND OR ADD COVERAGE**  
 5 **OF CERTAIN PREGNANT WOMEN UNDER MED-**  
 6 **ICAID AND SCHIP.**

7 (a) MEDICAID.—

8 (1) AUTHORITY TO EXPAND COVERAGE.—Sec-  
 9 tion 1902(l)(2)(A)(i) of the Social Security Act (42  
 10 U.S.C. 1396a(l)(2)(A)(i)) is amended by inserting  
 11 “(or such higher percentage as the State may elect  
 12 for purposes of expenditures for medical assistance  
 13 for pregnant women described in section  
 14 1905(u)(4)(A))” after “185 percent”.

15 (2) ENHANCED MATCHING FUNDS AVAILABLE  
 16 IF CERTAIN CONDITIONS MET.—Section 1905 of  
 17 such Act (42 U.S.C. 1396d) is amended—

18 (A) in the fourth sentence of subsection  
 19 (b), by striking “or subsection (u)(3)” and in-  
 20 serting “, (u)(3), or (u)(4)”; and

21 (B) in subsection (u)—

22 (i) by redesignating paragraph (4) as  
 23 paragraph (5); and

24 (ii) by inserting after paragraph (3)  
 25 the following new paragraph:

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

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

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

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

19 “(ii) The State does not apply an effective  
 20 income level for pregnant women that is lower  
 21 than the effective income level (expressed as a  
 22 percent of the poverty line and considering ap-  
 23 plicable income disregards) specified under the  
 24 State plan under subsection (a)(10)(A)(i)(III)  
 25 or (l)(2)(A) of section 1902, on the date of en-

1           actment of this paragraph to be eligible for  
2           medical assistance as a pregnant woman.

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

6           (3) PAYMENT FROM TITLE XXI ALLOTMENT  
7           FOR MEDICAID EXPANSION COSTS.—Section  
8           2105(a)(1) of such Act (42 U.S.C. 1397ee(a)(1)), as  
9           amended by section 211, is amended by striking sub-  
10          paragraph (B) and inserting the following new sub-  
11          paragraph:

12                 “(B) for the portion of the payments made  
13           for expenditures described in section  
14           1905(u)(4)(A) that represents the additional  
15           amount paid for such expenditures as a result  
16           of the enhanced FMAP being substituted for  
17           the Federal medical assistance percentage of  
18           such expenditures;”.

19          (b) CHIP.—

20           (1) COVERAGE.—Title XXI of such Act(42  
21           U.S.C. 1397aa et seq.) is amended by adding at the  
22           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.

23 “(2) **TARGETED LOW-INCOME PREGNANT**  
 24 **WOMAN.**—The term ‘targeted low-income pregnant  
 25 woman’ means a woman—

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

5           “(B) whose family income exceeds the ef-  
 6           fective income level (expressed as a percent of  
 7           the poverty line and considering applicable in-  
 8           come disregards) specified under subsection  
 9           (a)(10)(A)(i)(III) or (l)(2)(A) of section 1902,  
 10          on January 1, 2008, to be eligible for medical  
 11          assistance as a pregnant woman under title  
 12          XIX but does not exceed the income eligibility  
 13          level established under the State child health  
 14          plan under this title for a targeted low-income  
 15          child; and

16          “(C) who satisfies the requirements of  
 17          paragraphs (1)(A), (1)(C), (2), and (3) of sec-  
 18          tion 2110(b) in the same manner as a child ap-  
 19          plying for child health assistance would have to  
 20          satisfy such requirements.

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

1           “(1) Any reference in this title (other than in  
2           subsection (b)) to a targeted low-income child is  
3           deemed to include a reference to a targeted low-in-  
4           come pregnant 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)(A).

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

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

21          “(6) In applying section 2103(e)(3)(B) in the  
22          case of a pregnant woman provided coverage under  
23          this section, the limitation on total annual aggregate  
24          cost sharing shall be applied to such pregnant  
25          woman.

1           “(7) The reference in section 2107(e)(1)(F) to  
 2           section 1920A (relating to presumptive eligibility for  
 3           children) is deemed a reference to section 1920 (re-  
 4           lating to presumptive eligibility for pregnant  
 5           women).

6           “(d) AUTOMATIC ENROLLMENT FOR CHILDREN  
 7 BORN TO WOMEN RECEIVING PREGNANCY-RELATED AS-  
 8 SISTANCE.—If a child is born to a targeted low-income  
 9 pregnant woman who was receiving pregnancy-related as-  
 10 sistance under this section on the date of the child’s birth,  
 11 the child shall be deemed to have applied for child health  
 12 assistance under the State child health plan and to have  
 13 been found eligible for such assistance under such plan  
 14 or to have applied for medical assistance under title XIX  
 15 and to have been found eligible for such assistance under  
 16 such title, as appropriate, on the date of such birth and  
 17 to remain eligible for such assistance until the child at-  
 18 tains 1 year of age. During the period in which a child  
 19 is deemed under the preceding sentence to be eligible for  
 20 child health or medical assistance, the child health or med-  
 21 ical assistance eligibility identification number of the  
 22 mother shall also serve as the identification number of the  
 23 child, and all claims shall be submitted and paid under  
 24 such number (unless the State issues a separate identifica-  
 25 tion number for the child before such period expires).”.



1 (2) ADDITIONAL CONFORMING AMENDMENTS.—

2 (A) NO COST SHARING FOR PREGNANCY-  
3 RELATED BENEFITS.—Section 2103(e)(2) (42  
4 U.S.C. 1397cc(e)(2)) is amended—

5 (i) in the heading, by inserting “OR  
6 PREGNANCY-RELATED SERVICES” after  
7 “PREVENTIVE SERVICES”; and

8 (ii) by inserting before the period at  
9 the end the following: “or for pregnancy-  
10 related services”.

11 (B) NO WAITING PERIOD.—Section  
12 2102(b)(1)(B) (42 U.S.C. 1397bb(b)(1)(B)) is  
13 amended—

14 (i) in clause (i), by striking “, and” at  
15 the end and inserting a semicolon;

16 (ii) in clause (ii), by striking the pe-  
17 riod at the end and inserting “; and”; and

18 (iii) by adding at the end the fol-  
19 lowing new clause:

20 “(iii) may not apply a waiting period  
21 (including a waiting period to carry out  
22 paragraph (3)(C)) in the case of a targeted  
23 low-income pregnant woman.”.

24 (c) OTHER AMENDMENTS TO MEDICAID.—

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

7           (2) APPLICATION OF QUALIFIED ENTITIES TO  
 8           PRESUMPTIVE ELIGIBILITY FOR PREGNANT WOMEN  
 9           UNDER MEDICAID.—Section 1920(b) (42 U.S.C.  
 10          1396r–1(b)) is amended by adding after paragraph  
 11          (2) the following new flush sentence:

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

14        **SEC. 205. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS**  
 15                               **UNDER MEDICAID AND SCHIP.**

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

18               (1) in paragraph (1), by striking “paragraph  
 19               (2)” and inserting “paragraphs (2) and (4)”; and

20               (2) by adding at the end the following new  
 21        paragraph:

22        “(4)(A) A State may elect (in a plan amendment  
 23        under this title) to provide medical assistance under this  
 24        title, notwithstanding sections 401(a), 402(b), 403, and  
 25        421 of the Personal Responsibility and Work Opportunity

1 Reconciliation Act of 1996, for aliens who are lawfully re-  
 2 siding in the United States (including battered aliens de-  
 3 scribed in section 431(c) of such Act) and who are other-  
 4 wise eligible for such assistance, within either or both of  
 5 the following eligibility categories:

6 “(i) PREGNANT WOMEN.—Women during preg-  
 7 nancy (and during the 60-day period beginning on  
 8 the last day of the pregnancy).

9 “(ii) CHILDREN.—Individuals under 21 years of  
 10 age, including optional targeted low-income children  
 11 described in section 1905(u)(2)(B).

12 “(B) In the case of a State that has elected to provide  
 13 medical assistance to a category of aliens under subpara-  
 14 graph (A), no debt shall accrue under an affidavit of sup-  
 15 port against any sponsor of such an alien on the basis  
 16 of provision of assistance to such category and the cost  
 17 of such assistance shall not be considered as an unreim-  
 18 bursed cost.”.

19 (b) SCHIP.—Section 2107(e)(1) of such Act (42  
 20 U.S.C. 1397gg(e)(1)), as amended by section 202(b), is  
 21 amended by redesignating subparagraphs (D) and (E) as  
 22 subparagraph (E) and (F), respectively, and by inserting  
 23 after subparagraph (C) the following new subparagraph:

24 “(D) Section 1903(v)(4) (relating to op-  
 25 tional coverage of categories of lawfully residing

1           immigrant children), but only if the State has  
 2           elected to apply such section to the category of  
 3           children under title XIX.”.

4           (c) EFFECTIVE DATE.—The amendments made by  
 5 this section take effect on October 1, 2007, and apply to  
 6 medical assistance and child health assistance furnished  
 7 on or after such date.

8           (d) CONSTRUCTION.—Nothing in this section shall be  
 9 construed as affecting eligibility of aliens who are not law-  
 10 fully residing in the United States to benefits under the  
 11 Medicaid program under title XIX of the Social Security  
 12 Act or under the State children’s health insurance pro-  
 13 gram (SCHIP) under title XXI of such Act.

14 **SEC. 206. AUTHORIZING ADJUSTMENT OF SCHIP ALLOT-**  
 15 **MENT DUE TO INCREASED OUTREACH.**

16           (a) IN GENERAL.—Section 2104 of the Social Secu-  
 17 rity Act (42 U.S.C. 1397dd), as amended by section 101,  
 18 is further amended by adding at the end the following new  
 19 subsection:

20           “(j) AUTHORIZING ALLOTMENT ADJUSTMENT DUE  
 21 TO INCREASED OUTREACH.—

22           “(1) IN GENERAL.—Notwithstanding the pre-  
 23 vious provisions of this section, if the Secretary de-  
 24 termines that—

1           “(A) a State has an increase in the aver-  
 2           age number of children enrolled under its State  
 3           child health plan in a fiscal year that exceeds  
 4           the enrollment of children projected under para-  
 5           graph (2) for the State for such fiscal year, and

6           “(B) the total Federal expenditures under  
 7           the State child health plan (or waiver) under  
 8           this title exceeds the amount of the allotment  
 9           made available to the State for the fiscal year,  
 10          the Secretary shall increase the allotment under this  
 11          section for the State for the fiscal year by the  
 12          amount specified in paragraph (3). There are hereby  
 13          appropriated, out of any money in the Treasury not  
 14          otherwise appropriated, such sums as may be nec-  
 15          essary to provide for such increase in allotment.

16          “(2) PROJECTED ENROLLMENT OF CHIL-  
 17          DREN.—The projected enrollment of children for a  
 18          State under this paragraph for a fiscal year is equal  
 19          to the average number of children enrolled under the  
 20          State child health plan in fiscal year 2007 increased,  
 21          for each subsequent fiscal year through the fiscal  
 22          year involved, by a factor equal to the population  
 23          growth of children in the State for such fiscal year,  
 24          as projected by the Secretary before the beginning of  
 25          the fiscal year involved.

1 “(3) AMOUNT OF ALLOTMENT INCREASE.—

2 “(A) IN GENERAL.—Subject to subpara-  
3 graph (B), the amount of the allotment increase  
4 under this subsection for a State for a fiscal  
5 year shall be an amount equal to the product  
6 of—

7 “(i) the number by which the average  
8 number of children enrolled under the  
9 State child health plan in the fiscal year  
10 exceeds the enrollment of children pro-  
11 jected under paragraph (2) for such State  
12 for such fiscal year; and

13 “(ii) the per capita expenditures for  
14 children under the State child health plan  
15 for the previous year, increased by the av-  
16 erage annual rate of increase (for the three  
17 previous fiscal years) in the amount of  
18 such per capita expenditures.

19 The amount of the allotment increase under  
20 this subsection shall not be subject to adminis-  
21 trative or judicial review.

22 “(B) LIMITATION.—

23 “(i) IN GENERAL.—Subject to clause  
24 (ii), in no case shall the sum of the allot-  
25 ment increases for all States under this

1 subsection for a fiscal year exceed an  
 2 amount equal to 20 percent of the total  
 3 Federal payments to all of the States oth-  
 4 erwise made under this title for the fiscal  
 5 year. If such sum exceeds such amount,  
 6 subject to clause (ii), the allotment in-  
 7 crease for each State under this subsection  
 8 for the fiscal year shall be reduced in a pro  
 9 rata manner in order that such sum does  
 10 not exceed such amount.

11 “(ii) CONGRESSIONAL APPROVAL OF  
 12 ADDITIONAL AMOUNTS.—If the Secretary  
 13 estimates that the allotment increases that  
 14 should be provided under this subsection,  
 15 but for clause (i), would exceed the limita-  
 16 tion established under such clause, the  
 17 Secretary shall submit to Congress a re-  
 18 quest for supplemental appropriations for  
 19 the purpose of meeting such shortfall.

20 “(4) CLARIFICATION.—An adjustment in an al-  
 21 lotment shall not be made under this subsection due  
 22 to excess State expenditures resulting from a growth  
 23 in per capita costs, increased reimbursement to pro-  
 24 viders, or other factors not directly related to out-

1 reach to eligible, but previously unenrolled chil-  
2 dren.”.

3 (b) EFFECTIVE DATE.—The amendments made by  
4 subsection (a) shall take effect beginning with allotments  
5 for fiscal year 2008.

6 **SEC. 207. MODEL OF INTERSTATE COORDINATED ENROLL-**  
7 **MENT AND COVERAGE PROCESS.**

8 In order to assure continuity of coverage of low-in-  
9 come children under the Medicaid program and the State  
10 Children’s Health Insurance Program (SCHIP), the Sec-  
11 retary of Health and Human Services, in consultation with  
12 State Medicaid and SCHIP directors, shall develop and  
13 disseminate a model process for the coordination of the  
14 enrollment and coverage under such programs of children  
15 who, because of migration of families, emergency evacu-  
16 ations, educational needs, or otherwise, frequently change  
17 their State of residency or otherwise are temporarily  
18 present outside of the State of their residency.

19 **SEC. 208. AUTHORITY FOR QUALIFYING STATES TO USE**  
20 **PORTION OF SCHIP ALLOTMENT FOR ANY**  
21 **FISCAL YEAR FOR CERTAIN MEDICAID EX-**  
22 **PENDITURES.**

23 Section 2105(g)(1)(A) of the Social Security Act (42  
24 U.S.C. 1397ee(g)(1)(A)), as amended by section 201(b)  
25 of the National Institutes of Health Reform Act of 2006



1 (Public Law 109–482) is amended by striking “fiscal year  
 2 1998, 1999, 2000, 2001, 2004, 2005, 2006, or 2007” and  
 3 inserting “a fiscal year”.

4 **SEC. 209. APPLICATION OF MEDICAID OUTREACH PROCE-**  
 5 **DURES TO ALL PREGNANT WOMEN AND CHIL-**  
 6 **DREN.**

7 (a) IN GENERAL.—Section 1902(a)(55) of the Social  
 8 Security Act (42 U.S.C. 1396a(a)(55)) is amended by  
 9 striking “individuals for medical assistance under sub-  
 10 section (a)(10)(A)(i)(IV), (a)(10)(A)(i)(VI),  
 11 (a)(10)(A)(i)(VII), or (a)(10)(A)(ii)(IX)” and inserting  
 12 “child and pregnant women for medical assistance (includ-  
 13 ing under clauses (i)(IV), (i)(VI), (i)(VII), and (ii)(IX) of  
 14 paragraph (10)(A))”.

15 (b) EFFECTIVE DATE.—

16 (1) IN GENERAL.—

17 (2) EXCEPTION FOR STATE LEGISLATION.—In  
 18 the case of a State plan under title XIX of the So-  
 19 cial Security Act, which the Secretary of Health and  
 20 Human Services determines requires State legisla-  
 21 tion in order for the plan to meet the additional re-  
 22 quirements imposed by the amendment made by  
 23 subsection (a), the State plan shall not be regarded  
 24 as failing to comply with the requirements of such  
 25 Act solely on the basis of its failure to meet these

1 additional requirements before the first day of the  
 2 first calendar quarter beginning after the close of  
 3 the first regular session of the State legislature that  
 4 begins after the date of enactment of this Act. For  
 5 purposes of the previous sentence, in the case of a  
 6 State that has a 2-year legislative session, each year  
 7 of the session shall be considered to be a separate  
 8 regular session of the State legislature.

9 **SEC. 210. NO IMPACT ON SECTION 1115 WAIVERS.**

10 Nothing in this Act shall be construed to affect State  
 11 flexibility on eligibility and waivers approved by the Fed-  
 12 eral government under section 1115 of the Social Security  
 13 Act (42 U.S.C. 1315).

14 **SEC. 211. ELIMINATION OF COUNTING MEDICAID CHILD**  
 15 **PRESUMPTIVE ELIGIBILITY COSTS AGAINST**  
 16 **TITLE XXI ALLOTMENT.**

17 Section 2105(a)(1) of the Social Security Act (42  
 18 U.S.C. 1397ee(a)(1)) is amended—

19 (1) in the matter preceding subparagraph (A),  
 20 by striking “(or, in the case of expenditures de-  
 21 scribed in subparagraph (B), the Federal medical  
 22 assistance percentage (as defined in the first sen-  
 23 tence of section 1905(b)))”; and

24 (2) by amending subparagraph (B) to read as  
 25 follows:

1 “(B) [reserved]”.

2 **SEC. 212. PROHIBITING LIMITATIONS ON ENROLLMENT.**

3 (a) IN GENERAL.—Section 2102(b)(3)(B) of the So-  
 4 cial Security Act (42 U.S.C. 1397bb(b)(3)(B)) is amend-  
 5 ed—

6 (1) by striking “and” at the end of clause (i);

7 (2) by striking the period at the end of clause  
 8 (ii) and inserting “; and”; and

9 (3) by adding at the end the following new  
 10 clause:

11 “(iii) shall not impose, with respect to  
 12 enrollment of targeted low-income children  
 13 under the State child health plan, any en-  
 14 rollment cap or other numerical limitation  
 15 on enrollment, any waiting list, any proce-  
 16 dures designed to delay the consideration  
 17 of applications for enrollment, or similar  
 18 limitation with respect to enrollment.”.

19 (b) EFFECTIVE DATE.—The amendments made by  
 20 subsection (a) shall apply to State child health plans as  
 21 of October 1, 2007.

1 **TITLE III—ELIMINATION OF**  
 2 **CERTAIN BARRIERS TO COV-**  
 3 **ERAGE**

4 **SEC. 301. STATE OPTION TO REQUIRE CERTAIN INDIVID-**  
 5 **UALS TO PRESENT SATISFACTORY DOCUMEN-**  
 6 **TARY EVIDENCE OF PROOF OF CITIZENSHIP**  
 7 **OR NATIONALITY FOR PURPOSES OF ELIGI-**  
 8 **BILITY FOR MEDICAID.**

9 (a) IN GENERAL.—Section 1902(a)(46) of the Social  
 10 Security Act (42 U.S.C. 1396a(a)(46)) is amended—

11 (1) by inserting “(A)” after “(46)”;

12 (2) by adding “and” after the semicolon; and

13 (3) by adding at the end the following new sub-  
 14 paragraph:

15 “(B) at the option of the State and subject to  
 16 section 1903(x), require that, with respect to an in-  
 17 dividual (other than an individual described in sec-  
 18 tion 1903(x)(1)) who declares to be a citizen or na-  
 19 tional of the United States for purposes of estab-  
 20 lishing initial eligibility for medical assistance under  
 21 this title (or, at State option, for purposes of renew-  
 22 ing or redetermining such eligibility to the extent  
 23 that such satisfactory documentary evidence of citi-  
 24 zenship or nationality has not yet been presented),  
 25 there is presented satisfactory documentary evidence

1 of citizenship or nationality of the individual (using  
2 criteria determined by the State, which shall be no  
3 more restrictive than the criteria used by the Social  
4 Security Administration to determine citizenship,  
5 and which shall accept as such evidence a document  
6 issued by a federally recognized Indian tribe evidenc-  
7 ing membership or enrollment in, or affiliation with,  
8 such tribe (such as a tribal enrollment card or cer-  
9 tificate of degree of Indian blood, and, with respect  
10 to those federally recognized Indian tribes located  
11 within States having an international border whose  
12 membership includes individuals who are not citizens  
13 of the United States, such other forms of docu-  
14 mentation (including tribal documentation, if appro-  
15 priate) that the Secretary, after consulting with such  
16 tribes, determines to be satisfactory documentary  
17 evidence of citizenship or nationality for purposes of  
18 satisfying the requirement of this subparagraph));”.

19 (b) LIMITATION ON WAIVER AUTHORITY.—Notwith-  
20 standing any provision of section 1115 of the Social Secu-  
21 rity Act (42 U.S.C. 1315), or any other provision of law,  
22 the Secretary may not waive the requirements of section  
23 1902(a)(46)(B) of such Act (42 U.S.C. 1396a(a)(46)(B))  
24 with respect to a State.

1       (c) CONFORMING AMENDMENTS.—Section 1903 of  
2 such Act (42 U.S.C. 1396b) is amended—

3           (1) in subsection (i)—

4               (A) in paragraph (20), by adding “or”  
5 after the semicolon;

6               (B) in paragraph (21), by striking “; or”  
7 and inserting a period; and

8               (C) by striking paragraph (22); and

9           (2) in subsection (x) (as amended by section  
10 405(c)(1)(A) of division B of the Tax Relief and  
11 Health Care Act of 2006 (Public Law 109–432))—

12               (A) by striking paragraphs (1) and (3);

13               (B) by redesignating paragraph (2) as  
14 paragraph (1);

15               (C) in paragraph (1), as so redesignated,  
16 by striking “paragraph (1)” and inserting “sec-  
17 tion 1902(a)(46)(B)”;

18               (D) by adding at the end the following new  
19 paragraphs:

20       “(2) In the case of an individual declaring to be a  
21 citizen or national of the United States with respect to  
22 whom a State requires the presentation of satisfactory  
23 documentary evidence of citizenship or nationality under  
24 section 1902(a)(46)(B), the individual shall be provided  
25 at least the reasonable opportunity to present satisfactory

1 documentary evidence of citizenship or nationality under  
2 this subsection as is provided under clauses (i) and (ii)  
3 of section 1137(d)(4)(A) to an individual for the submittal  
4 to the State of evidence indicating a satisfactory immigra-  
5 tion status.

6 “(3)(A) In addition to the criteria established by the  
7 State for purposes of section 1902(a)(46)(B), a State shall  
8 deem presentation of the following documents to be ‘satis-  
9 factory documentary evidence of citizenship or nationality’  
10 (and shall not favor presentation of 1 type of document  
11 described over another):

12 “(i) Any document described in subparagraph  
13 (B).

14 “(ii) Any document described in subparagraph  
15 (C) when presented with any document described in  
16 subparagraph (D).

17 “(iii) Any document described in subparagraph  
18 (E) if the requirements of that subparagraph are  
19 met.

20 “(B) The following are documents described in this  
21 subparagraph:

22 “(i) A United States passport.

23 “(ii) Form N-550 or N-570 (Certificate of  
24 Naturalization).

1           “(iii) Form N–560 or N–561 (Certificate of  
2       United States Citizenship).

3           “(iv) A valid State-issued driver’s license or  
4       other identity document described in section  
5       274A(b)(1)(D) of the Immigration and Nationality  
6       Act, but only if the State issuing the license or such  
7       document requires proof of United States citizenship  
8       before issuance of such license or document or ob-  
9       tains a social security number from the applicant  
10      and verifies before certification that such number is  
11      valid and assigned to the applicant who is a citizen.

12          “(v) Such other document as the Secretary may  
13      specify, by regulation, that provides proof of United  
14      States citizenship or nationality and that provides a  
15      reliable means of documentation of personal identity.

16      “(C) The following are documents described in this  
17   subparagraph:

18          “(i) A certificate of birth in the United States.

19          “(ii) Form FS–545 or Form DS–1350 (Certifi-  
20      cation of Birth Abroad).

21          “(iii) Form I–197 (United States Citizen Iden-  
22      tification Card).

23          “(iv) Form FS–240 (Report of Birth Abroad of  
24      a Citizen of the United States).



1           “(v) Such other document (not described in  
2           subparagraph (B)(iv)) as the Secretary may specify  
3           that provides proof of United States citizenship or  
4           nationality.

5           “(D) The following are documents described in this  
6           subparagraph:

7           “(i) Any identity document described in section  
8           274A(b)(1)(D) of the Immigration and Nationality  
9           Act.

10           “(ii) Any other documentation of personal iden-  
11           tity of such other type as the Secretary finds, by  
12           regulation, provides a reliable means of identifica-  
13           tion.

14           “(E) A document described in this subparagraph is  
15           an affidavit of citizenship or identity, or both, which need  
16           not be notarized or witnessed, but only if the individual  
17           has been unable to acquire other satisfactory documentary  
18           evidence within the reasonable opportunity period estab-  
19           lished by the State, despite a good faith effort to do so.  
20           An individual shall be deemed unable to acquire such doc-  
21           umentary evidence—

22           “(i) if there is good reason to believe that such  
23           documentary evidence does not exist;

24           “(ii) if, after a timely request for such docu-  
25           mentary evidence, it has not been received by the

1 State or the individual within the reasonable oppor-  
 2 tunity period established by the State;

3 “(iii) if such documentary evidence cannot be  
 4 acquired at a nominal cost to the individual; or

5 “(iv) in such additional situations as the Sec-  
 6 retary may describe.

7 “(F)(i) A reference in this paragraph to a form in-  
 8 cludes a reference to any successor form.

9 “(ii) Any legible copy of a form described in this  
 10 paragraph shall be accepted as if it were the original of  
 11 such form.”.

12 (d) CLARIFICATION OF RULES FOR CHILDREN BORN  
 13 IN THE UNITED STATES TO MOTHERS ELIGIBLE FOR  
 14 MEDICAID.—Section 1903(x) of such Act (42 U.S.C.  
 15 1396b(x)), as amended by subsection (c)(2), is amended—

16 (1) in paragraph (1)—

17 (A) in subparagraph (C), by striking “or”  
 18 at the end;

19 (B) by redesignating subparagraph (D) as  
 20 subparagraph (E); and

21 (C) by inserting after subparagraph (C)  
 22 the following new subparagraph:

23 “(D) pursuant to the application of section  
 24 1902(e)(4) (and, in the case of an individual who is  
 25 eligible for medical assistance on such basis, the in-

1       dividual shall be deemed to have provided satisfac-  
 2       tory documentary evidence of citizenship or nation-  
 3       ality and shall not be required to provide further  
 4       documentary evidence on any date that occurs dur-  
 5       ing or after the period in which the individual is eli-  
 6       gible for medical assistance on such basis); or”; and

7               (2) by adding at the end the following new  
 8       paragraph:

9       “(4) Nothing in subparagraph (A) or (B) of section  
 10    1902(a)(46), the preceding paragraphs of this subsection,  
 11    or the Deficit Reduction Act of 2005, including section  
 12    6036 of such Act, shall be construed as changing the re-  
 13    quirement of section 1902(e)(4) that a child born in the  
 14    United States to an alien mother for whom medical assist-  
 15    ance for the delivery of such child is available as treatment  
 16    of an emergency medical condition pursuant to subsection  
 17    (v) shall be deemed eligible for medical assistance during  
 18    the first year of such child’s life.”.

19       (e) EFFECTIVE DATE.—

20               (1) RETROACTIVE APPLICATION.—The amend-  
 21       ments made by this section shall take effect as if in-  
 22       cluded in the enactment of the Deficit Reduction Act  
 23       of 2005 (Public Law 109–171; 120 Stat. 4).

24               (2) RESTORATION OF ELIGIBILITY.—In the  
 25       case of an individual who, during the period that

1 began on July 1, 2006, and ends on the date of en-  
 2 actment of this Act, was determined to be ineligible  
 3 for medical assistance under a State Medicaid pro-  
 4 gram solely as a result of the application of sub-  
 5 sections (i)(22) and (x) of section 1903 of the Social  
 6 Security Act (as in effect during such period), but  
 7 who would have been determined eligible for such as-  
 8 sistance if such subsections, as amended by this sec-  
 9 tion, had applied to the individual, a State may  
 10 deem the individual to be eligible for such assistance  
 11 as of the date that the individual was determined to  
 12 be ineligible for such medical assistance on such  
 13 basis.

14 **SEC. 302. INCREASED FEDERAL MATCHING RATE FOR LAN-**  
 15 **GUAGE SERVICES PROVIDED UNDER MED-**  
 16 **ICAID OR SCHIP.**

17 (a) IN GENERAL.—Section 1903(a)(3) of the Social  
 18 Security Act (42 U.S.C. 1396b(a)(3)) is amended—

19 (1) in subparagraph (E)(ii), by striking “plus”  
 20 at the end; and

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

22 “(3) 85 percent of the sums expended with re-  
 23 spect to costs incurred during such quarter as are  
 24 attributable to the provision of language services on  
 25 behalf of individuals with limited English proficiency

1 who apply for or receive medical assistance under  
 2 the State plan (including any provisions of the plan  
 3 implemented pursuant to any waiver authority of the  
 4 Secretary) or child health assistance under title  
 5 XXI; plus”.

6 (b) EFFECTIVE DATE.—The amendments made by  
 7 subsection (a) take effect on October 1, 2007, and apply  
 8 to language services provided on or after that date.

9 **TITLE IV—GRANTS TO PROMOTE**  
 10 **INNOVATIVE OUTREACH AND**  
 11 **ENROLLMENT UNDER MED-**  
 12 **ICAID AND SCHIP**

13 **SEC. 401. GRANTS TO PROMOTE INNOVATIVE OUTREACH**  
 14 **AND ENROLLMENT UNDER MEDICAID AND**  
 15 **SCHIP.**

16 Title XXI of the Social Security Act (42 U.S.C.  
 17 1397aa et seq.), as amended by section 204(b), is amend-  
 18 ed by adding at the end the following:

19 **“SEC. 2112. EXPANDED OUTREACH AND ENROLLMENT AC-**  
 20 **TIVITIES.**

21 **“(a) GRANTS TO CONDUCT INNOVATIVE OUTREACH**  
 22 **AND ENROLLMENT EFFORTS.—**

23 **“(1) IN GENERAL.—**The Secretary shall award  
 24 grants to eligible entities to—

1           “(A) conduct innovative outreach and en-  
 2           rollment efforts that are designed to increase  
 3           the enrollment and participation of eligible chil-  
 4           dren under this title and title XIX; and

5           “(B) promote understanding of the impor-  
 6           tance of health insurance coverage for prenatal  
 7           care and children.

8           “(2) PERFORMANCE BONUSES.—The Secretary  
 9           may reserve a portion of the funds appropriated  
 10          under subsection (g) for a fiscal year for the purpose  
 11          of awarding performance bonuses during the suc-  
 12          ceeding fiscal year to eligible entities that meet en-  
 13          rollment goals or other criteria established by the  
 14          Secretary.

15          “(b) PRIORITY FOR AWARD OF GRANTS.—

16                 “(1) IN GENERAL.—In making grants under  
 17          subsection (a)(1), the Secretary shall give priority  
 18          to—

19                         “(A) eligible entities that propose to target  
 20          geographic areas with high rates of—

21                                 “(i) eligible but unenrolled children,  
 22                                 including such children who reside in rural  
 23                                 areas; or

24                                 “(ii) racial and ethnic minorities and  
 25                                 health disparity populations, including

1                   those proposals that address cultural and  
2                   linguistic barriers to enrollment; and

3                   “(B) eligible entities that plan to engage in  
4                   outreach efforts with respect to individuals de-  
5                   scribed in subparagraph (A) and that are—

6                               “(i) Federal health safety net organi-  
7                               zations; or

8                               “(ii) faith-based organizations or con-  
9                               sortia.

10                   “(2) 10 PERCENT SET ASIDE FOR OUTREACH  
11                   TO INDIAN CHILDREN.—An amount equal to 10 per-  
12                   cent of the funds appropriated under subsection (g)  
13                   for a fiscal year shall be used by the Secretary to  
14                   award grants to Indian Health Service providers and  
15                   urban Indian organizations receiving funds under  
16                   title V of the Indian Health Care Improvement Act  
17                   (25 U.S.C. 1651 et seq.) for outreach to, and enroll-  
18                   ment of, children who are Indians.

19                   “(c) APPLICATION.—An eligible entity that desires to  
20                   receive a grant under subsection (a)(1) shall submit an  
21                   application to the Secretary in such form and manner, and  
22                   containing such information, as the Secretary may decide.  
23                   Such application shall include—

24                               “(1) quality and outcomes performance meas-  
25                               ures to evaluate the effectiveness of activities funded

1 by a grant awarded under this section to ensure that  
 2 the activities are meeting their goals; and

3 “(2) an assurance that the entity shall—

4 “(A) conduct an assessment of the effec-  
 5 tiveness of such activities against such perform-  
 6 ance measures; and

7 “(B) cooperate with the collection and re-  
 8 porting of enrollment data and other informa-  
 9 tion determined as a result of conducting such  
 10 assessments to the Secretary, in such form and  
 11 manner as the Secretary shall require.

12 “(d) DISSEMINATION OF ENROLLMENT DATA AND  
 13 INFORMATION DETERMINED FROM EFFECTIVENESS AS-  
 14 SESSMENTS; ANNUAL REPORT.—The Secretary shall—

15 “(1) disseminate to eligible entities and make  
 16 publicly available the enrollment data and informa-  
 17 tion collected and reported in accordance with sub-  
 18 section (c)(2)(B); and

19 “(2) submit an annual report to Congress on  
 20 the outreach activities funded by grants awarded  
 21 under this section.

22 “(e) SUPPLEMENT, NOT SUPPLANT.—Federal funds  
 23 awarded under this section shall be used to supplement,  
 24 not supplant, non-Federal funds that are otherwise avail-  
 25 able for activities funded under this section.



1 “(f) DEFINITIONS.—In this section:

2 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-  
3 tity’ means any of the following:

4 “(A) A State or local government.

5 “(B) A Federal health safety net organiza-  
6 tion.

7 “(C) A national, local, or community-based  
8 public or nonprofit private organization, includ-  
9 ing organizations that use community health  
10 workers or community-based doula programs.

11 “(D) A faith-based organization or con-  
12 sortia, to the extent that a grant awarded to  
13 such an entity is consistent with the require-  
14 ments of section 1955 of the Public Health  
15 Service Act (42 U.S.C. 300x–65) relating to a  
16 grant award to non-governmental entities.

17 “(E) An elementary or secondary school.

18 “(2) FEDERAL HEALTH SAFETY NET ORGANI-  
19 ZATION.—The term ‘Federal health safety net orga-  
20 nization’ means—

21 “(A) an Indian tribe, tribal organization,  
22 or an urban Indian organization receiving funds  
23 under title V of the Indian Health Care Im-  
24 provement Act (25 U.S.C. 1651 et seq.), or an  
25 Indian Health Service provider;

1           “(B) a Federally-qualified health center  
2           (as defined in section 1905(l)(2)(B));

3           “(C) a hospital defined as a dispropor-  
4           tionate share hospital for purposes of section  
5           1923;

6           “(D) a covered entity described in section  
7           340B(a)(4) of the Public Health Service Act  
8           (42 U.S.C. 256b(a)(4)); and

9           “(E) any other entity or a consortium that  
10          serves children under a federally-funded pro-  
11          gram, including the special supplemental nutri-  
12          tion program for women, infants, and children  
13          (WIC) established under section 17 of the Child  
14          Nutrition Act of 1966 (42 U.S.C. 1786), the  
15          head start and early head start programs under  
16          the Head Start Act (42 U.S.C. 9801 et seq.),  
17          the school lunch program established under the  
18          Richard B. Russell National School Lunch Act,  
19          and an elementary or secondary school.

20          “(3) INDIANS; INDIAN TRIBE; TRIBAL ORGANI-  
21          ZATION; URBAN INDIAN ORGANIZATION.—The terms  
22          ‘Indian’, ‘Indian tribe’, ‘tribal organization’, and  
23          ‘urban Indian organization’ have the meanings given  
24          such terms in section 4 of the Indian Health Care  
25          Improvement Act (25 U.S.C. 1603).

1       “(g) APPROPRIATION.—There is appropriated, out of  
 2 any money in the Treasury not otherwise appropriated,  
 3 \$50,000,000 for each of fiscal years 2008 through 2012  
 4 for the purpose of awarding grants under this section.  
 5 Amounts appropriated and paid under the authority of  
 6 this section shall be in addition to amounts appropriated  
 7 under section 2104 and paid to States in accordance with  
 8 section 2105, including with respect to expenditures for  
 9 outreach activities in accordance with subsection  
 10 (a)(1)(D)(iii) of such section.”.

## 11       **TITLE V—IMPROVING THE** 12       **QUALITY OF PEDIATRIC CARE**

### 13       **SEC. 501. REQUIRING COVERAGE OF EPSDT SERVICES, IN-** 14               **CLUDING DENTAL SERVICES; STATE OPTION** 15               **TO PROVIDE SUPPLEMENTAL COVERAGE OF** 16               **DENTAL SERVICES.**

17       (a) ADDITIONAL REQUIRED SERVICES.—

18               (1) REQUIRED COVERAGE OF EPSDT SERVICES,  
 19 INCLUDING DENTAL SERVICES.—Section 2103(c) of  
 20 the Social Security Act (42 U.S.C. 1397cc(e)) is  
 21 amended—

22                       (A) by redesignating paragraph (5) as  
 23 paragraph (6); and

24                       (B) by inserting after paragraph (4), the  
 25 following:

1           “(5) OTHER REQUIRED SERVICES.—The child  
 2           health assistance provided to a targeted low-income  
 3           child shall include coverage of early and periodic  
 4           screening, diagnostic, and treatment services de-  
 5           scribed in subsections (a)(4)(B) and (r) of section  
 6           1905 and provided in accordance with section  
 7           1903(a)(43) (including dental services that are nec-  
 8           essary to prevent disease and promote oral health,  
 9           restore oral structures to health and function, and  
 10          treat emergency conditions).”.

11           (2) STATE CHILD HEALTH PLAN REQUIRE-  
 12          MENT.—Section 2102(a)(7)(B) of such Act (42  
 13          U.S.C. 1397bb(c)(2)) is amended by inserting “and  
 14          services described in section 2103(c)(5)” after  
 15          “emergency services”.

16           (3) CONFORMING AMENDMENT.—Section  
 17          2103(a) of such Act (42 U.S.C. 1397cc(a)) is  
 18          amended, in the matter preceding paragraph (1), by  
 19          striking “subsection (c)(5)” and inserting “para-  
 20          graphs (5) and (6) of subsection (c)”.

21          (b) STATE OPTION TO PROVIDE SUPPLEMENTAL  
 22          COVERAGE OF DENTAL SERVICES UNDER SCHIP TO  
 23          CHILDREN WITH OTHER HEALTH COVERAGE.—

1           (1) IN GENERAL.—Section 2110(b) of the So-  
2       cial Security Act (42 U.S.C. 1397jj(b)) is amend-  
3       ed—

4                   (A) in paragraph (1)(C), by inserting “,  
5       subject to paragraph (5),” after “under title  
6       XIX or”; and

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

8           “(5) STATE OPTION TO PROVIDE SUPPLE-  
9       MENTAL COVERAGE OF DENTAL SERVICES TO CHIL-  
10      DREN WITH OTHER HEALTH COVERAGE.—

11                   “(A) IN GENERAL.—A State may waive  
12       the requirement of paragraph (1)(C) that a tar-  
13       geted low-income child may not be covered  
14       under a group health plan or under health in-  
15       surance coverage in order to provide dental  
16       services that are not covered, or are only par-  
17       tially covered, under such plan or coverage.  
18       Nothing in subsection (c)(5) of section 2103  
19       shall be construed as prohibiting a State from  
20       limiting the supplemental coverage of dental  
21       services provided in accordance with this para-  
22       graph and nothing in paragraph (2) or (3) of  
23       subsection (e) of such section shall be construed  
24       as prohibiting a State from imposing premiums,  
25       deductibles, cost-sharing, or similar charges for

1           such coverage without regard to the require-  
2           ments of either such paragraph.

3           “(B) ELIGIBILITY.—In waiving such re-  
4           quirement, a State may limit the application of  
5           the waiver to children whose family income does  
6           not exceed a level specified by the State, which  
7           may not exceed the maximum income level oth-  
8           erwise established for other children under the  
9           State child health plan.

10           “(C) CONTINUED APPLICATION OF DUTY  
11           TO PREVENT SUBSTITUTION OF EXISTING COV-  
12           ERAGE.—Nothing in this paragraph shall be  
13           construed as modifying the application of sec-  
14           tion 2102(b)(3)(C) to a State.”.

15           (2) APPLICATION OF ENHANCED MATCH UNDER  
16           MEDICAID.—Section 1905 of such Act (42 U.S.C.  
17           1396d) is amended—

18           (A) in subsection (b), in the fourth sen-  
19           tence, by striking “subsection (u)(3)” and in-  
20           serting “(u)(3), or (u)(4)”; and

21           (B) in subsection (u), by redesignating  
22           paragraph (4) as paragraph (5) and by insert-  
23           ing after paragraph (3) the following:

24           “(4) For purposes of subsection (b), the expenditures  
25           described in this paragraph are expenditures for supple-

1 mental coverage of dental services for children described  
2 in section 2110(b)(5).”.

3 (3) APPLICATION OF SECONDARY PAYOR PROVI-  
4 SIONS.—Section 2107(e)(1) of such Act (42 U.S.C.  
5 1397gg(e)(1)) is amended—

6 (A) by redesignating subparagraphs (B)  
7 through (D) as subparagraphs (C) through (E),  
8 respectively; and

9 (B) by inserting after subparagraph (A)  
10 the following new subparagraph:

11 “(B) Section 1902(a)(25) (relating to co-  
12 ordination of benefits and secondary payor pro-  
13 visions) with respect to children provided sup-  
14 plemental coverage of dental services under a  
15 waiver described in section 2110(b)(5).”.

16 **SEC. 502. PEDIATRIC QUALITY AND PERFORMANCE MEAS-**  
17 **URES PROGRAM.**

18 Title XIX of the Social Security Act (42 U.S.C. 1396  
19 et seq.) is amended—

20 (1) by redesignating section 1939 as section  
21 1941; and

22 (2) by inserting after section 1938 the fol-  
23 lowing:

1 “PEDIATRIC QUALITY AND PERFORMANCE MEASURES  
2 PROGRAM

3 “SEC. 1939. (a) ESTABLISHMENT.—The Secretary,  
4 acting through the Administrator of the Centers for Medi-  
5 care & Medicaid Services and in consultation with the Di-  
6 rector of the Agency for Healthcare Research and Quality,  
7 shall establish a program to encourage and support the  
8 development of new and emerging quality and perform-  
9 ance measures for providers of pediatric care through the  
10 activities described in subsection (c). In establishing the  
11 program, gaps in existing evidence-based measures and  
12 priority areas for advancement shall be identified.

13 “(b) PURPOSE.—The purpose of the program is to  
14 ensure that—

15 “(1) evidence-based pediatric quality and per-  
16 formance measures are developed; and

17 “(2) such measures are available for States,  
18 other purchasers of pediatric health care services,  
19 health care providers, and consumers to use.

20 “(c) PROGRAM ACTIVITIES.—

21 “(1) IDENTIFYING QUALITY AND PERFORMANCE  
22 MEASURES FOR PROVIDERS OF PEDIATRIC SERVICES  
23 AND OPPORTUNITIES FOR NEW MEASURES.—Not  
24 later than 3 months after the date of enactment of  
25 this section, the Secretary shall identify quality and



1 performance measures for providers of pediatric  
2 services and opportunities for the development of  
3 new measures, taking into consideration existing evi-  
4 dence-based measures. In conducting this review, the  
5 Secretary shall—

6 “(A) ensure the inclusion of at least 1  
7 measure related to children’s dental and oral  
8 health; and

9 “(B) convene and consult with representa-  
10 tives of—

11 “(i) States;

12 “(ii) pediatric hospitals, pediatricians,  
13 and other pediatric health professionals;

14 “(iii) national organizations rep-  
15 resenting—

16 “(I) consumers of children’s  
17 health care; and

18 “(II) purchasers of children’s  
19 health care;

20 “(iv) experts in pediatric quality and  
21 performance measurement; and

22 “(v) a voluntary consensus standards  
23 setting organization and other organiza-  
24 tions involved in the advancement of con-

1           sensus on evidence-based measures of  
2           health care.

3           “(2) DEVELOPING, VALIDATING, AND TESTING  
4           NEW MEASURES.—The Secretary shall award grants  
5           or contracts to eligible entities (as defined in sub-  
6           section (d)(1)) for the development, validation, and  
7           testing of new and emerging quality and perform-  
8           ance measures, including at least 1 measure related  
9           to children’s dental and oral health, for providers of  
10          pediatric services. Such measures shall—

11               “(A) provide consumers and purchasers  
12               (including States and beneficiaries under the  
13               program under this title and title XXI) with in-  
14               formation about provider performance and qual-  
15               ity; and

16               “(B) assist health care providers in im-  
17               proving the quality of the items and services  
18               they provide and their performance with respect  
19               to the provision of such items and services.

20           “(3) ACHIEVING CONSENSUS ON EVIDENCE-  
21           BASED MEASURES.—The Secretary shall award  
22           grants or contracts to eligible consensus entities (as  
23           defined in subsection (d)(2)) for the development of  
24           consensus on evidence-based measures for pediatric  
25           care, including at least 1 measure related to chil-

dren’s dental and oral health, that have broad acceptability in the health care industry.

“(d) ELIGIBLE ENTITIES.—

“(1) DEVELOPMENT, VALIDATION, AND TESTING.—For purposes of paragraph (2) of subsection (c), the term ‘eligible entity’ means—

“(A) organizations with demonstrated expertise and capacity in the development and evaluation of pediatric quality and performance measures;

“(B) an organization or association of health care providers with demonstrated experience in working with accrediting organizations in developing pediatric quality and performance measures; and

“(C) a collaboration of national pediatric organizations working to improve pediatric quality and performance measures.

“(2) ACHIEVEMENT OF CONSENSUS.—For purposes of paragraph (3) of such subsection, the term ‘eligible consensus entity’ means an organization, including a voluntary consensus standards setting organization involved in the advancement of consensus on evidence-based measures of health care.

1       “(e) ONGOING AUTHORITY TO UPDATE AND ADJUST  
 2 PEDIATRIC MEASURES.—The Secretary may update and  
 3 adjust measures developed and advanced under the pro-  
 4 gram under this section in accordance with—

5               “(1) any changes that a voluntary consensus  
 6 standards setting organization determines should be  
 7 made with respect to such measures; or

8               “(2) new evidence indicating the need for  
 9 changes with respect to such measures.

10       “(f) ADDITION OF PEDIATRIC CONSUMER ASSESS-  
 11 MENT MEASURES TO CAHPS HOSPITAL SURVEY CON-  
 12 DUCTED BY AHRQ.—The Director of the Agency for  
 13 Healthcare Research and Quality shall ensure that con-  
 14 sumer assessment measures for hospital services for chil-  
 15 dren are added to the Consumer Assessment of Healthcare  
 16 Providers and Systems (CAHPS) Hospital survey con-  
 17 ducted by such Agency.

18       “(g) APPROPRIATION.—There are authorized to be  
 19 appropriated and there are appropriated, for the purpose  
 20 of carrying out this section, \$10,000,000, for each of fiscal  
 21 years 2008 through 2012, to remain available until ex-  
 22 pended.”.

1 **SEC. 503. GRANTS TO STATES FOR DEMONSTRATION**  
 2 **PROJECTS TRANSFORMING DELIVERY OF PE-**  
 3 **DIATRIC CARE.**

4 Title XIX of the Social Security Act (42 U.S.C. 1396  
 5 et seq.), as amended by section 502, is amended by insert-  
 6 ing after section 1939 the following:

7 “GRANTS TO STATES FOR DEMONSTRATION PROJECTS  
 8 TRANSFORMING DELIVERY OF PEDIATRIC CARE

9 “SEC. 1940. (a) ESTABLISHMENT.—The Secretary,  
 10 acting through the Administrator of the Centers for Medi-  
 11 care & Medicaid Services, shall establish demonstration  
 12 projects, including demonstration projects in each of the  
 13 4 categories described in subsection (d), to award grants  
 14 to States to improve the delivery of health care services  
 15 provided to children under this title and title XXI.

16 “(b) DURATION.—The demonstration projects shall  
 17 be conducted for a period of 4 years.

18 “(c) ELIGIBILITY.—A State shall not be eligible to  
 19 receive a grant under this section unless the State has  
 20 demonstrated experience or commitment to the concept of  
 21 transformation in the delivery of pediatric care.

22 “(d) CATEGORIES OF PROJECTS.—The following cat-  
 23 egories of projects are described in this subsection:

24 “(1) HEALTH INFORMATION TECHNOLOGY SYS-  
 25 TEMS.—Projects for developing health information  
 26 technology systems, including technology acquisition,

1 electronic health record development, data standards  
2 development, and software development, for pediatric  
3 hospital and physician services and other commu-  
4 nity-based services; implementing model systems;  
5 and evaluating their impact on the quality, safety,  
6 and costs of care.

7 “(2) DISEASE MANAGEMENT.—Projects for pro-  
8 viding provider-based care disease management for  
9 children with chronic conditions (including physical,  
10 developmental, behavioral, and psychological condi-  
11 tions), demonstrating the effectiveness of provider-  
12 based management models in promoting better care,  
13 reducing adverse health outcomes, and preventing  
14 avoidable hospitalizations.

15 “(3) EVIDENCE-BASED QUALITY IMPROVE-  
16 MENTS.—Projects for implementing evidence-based  
17 approaches to improving efficiency, safety, and effec-  
18 tiveness in the delivery of hospital care for children  
19 across hospital services, evaluating the translation of  
20 successful models of such evidence-based approaches  
21 to other institutions, and the impact of such changes  
22 on the quality, safety, and costs of care.

23 “(4) QUALITY AND PERFORMANCE MEASURES  
24 FOR PROVIDERS OF CHILDREN’S HEALTH CARE  
25 SERVICES.—Projects to pilot test evidence-based pe-

1       diatric quality and performance measures for inpa-  
2       tient hospital services, physician services, or services  
3       of other health professionals, determining the reli-  
4       ability, feasibility, and validity of such measures,  
5       and evaluating their potential impact on improving  
6       the quality and delivery of children’s health care. To  
7       the extent feasible, such measures shall have been  
8       approved by consensus standards setting organiza-  
9       tions.

10       “(e) UNIFORM METRICS.—The Secretary shall estab-  
11       lish uniform metrics (adjusted, as appropriate, for patient  
12       acuity), collect data, and conduct evaluations with respect  
13       to each demonstration project category described in sub-  
14       section (d). In establishing such metrics, collecting such  
15       data, and conducting such evaluations, the Secretary shall  
16       consult with—

17               “(1) experts in each such demonstration project  
18       category;

19               “(2) participating States;

20               “(3) national pediatric provider organizations;

21               “(4) health care consumers; and

22               “(5) such other entities or individuals with rel-  
23       evant expertise as the Secretary determines appro-  
24       priate.

1       “(f) EVALUATION AND REPORT.—The Secretary  
2 shall evaluate the demonstration projects conducted under  
3 this section and submit a report to Congress not later than  
4 3 months before the completion of each demonstration  
5 project that includes the findings of the evaluation and  
6 recommendations with respect to—

7               “(1) expansion of the demonstration project to  
8 additional States and sites; and

9               “(2) the broader implementation of approaches  
10 identified as being successful in advancing quality  
11 and performance in the delivery of medical assist-  
12 ance provided to children under this title and title  
13 XXI.

14       “(g) WAIVER.—The Secretary may waive the require-  
15 ments of this title and title XXI to the extent necessary  
16 to carry out the demonstration projects under this section.

17       “(h) AMOUNTS PAID TO A STATE.—Amounts paid to  
18 a State under this section—

19               “(1) shall be in addition to Federal payments  
20 made to the State under section 1903(a);

21               “(2) shall not be used for the State share of  
22 any expenditures claimed for payment under such  
23 section; and

24               “(3) shall be used only for expenditures of the  
25 State for participating in the demonstration



1 projects, or for expenditures of providers in partici-  
 2 pating in the demonstration projects, including—

3 “(A) administrative costs of States and  
 4 participating providers (such as costs associated  
 5 with the design and evaluation of, and data col-  
 6 lection under, the demonstration projects); and

7 “(B) such other expenditures that are not  
 8 otherwise eligible for reimbursement under this  
 9 title or title XXI as the Secretary may deter-  
 10 mine appropriate.

11 “(i) APPROPRIATION.—There are authorized to be  
 12 appropriated and there are appropriated, for the purpose  
 13 of carrying out this section, to remain available until ex-  
 14 pended \$10,000,000 for each of fiscal years 2008 through  
 15 2012.”.

16 **SEC. 504. REPORT BY THE COMPTROLLER GENERAL ON DE-**  
 17 **SIGN AND IMPLEMENTATION OF A DEM-**  
 18 **ONSTRATION PROJECT EVALUATING EXIST-**  
 19 **ING QUALITY AND PERFORMANCE MEASURES**  
 20 **FOR CHILDREN’S INPATIENT HOSPITAL**  
 21 **SERVICES.**

22 (a) IN GENERAL.—Not later than 12 months after  
 23 the date of enactment of this Act, the Comptroller General  
 24 of the United States (in this section referred to as the  
 25 “Comptroller General”) shall submit a report to Congress

1 containing recommendations for the design and implemen-  
2 tation of a demonstration project to evaluate the suit-  
3 ability of existing quality and performance measures for  
4 children's inpatient hospital services for public reporting,  
5 differentiating quality, identifying best practices, and pro-  
6 viding a basis for payment rewards.

7 (b) DEVELOPMENT OF RECOMMENDATIONS.—In de-  
8 veloping the recommendations submitted under subsection  
9 (a), the Comptroller General shall accomplish the fol-  
10 lowing:

11 (1) Consider which agency within the Depart-  
12 ment of Health and Human Services should have  
13 primary responsibility and oversight for such a dem-  
14 onstration project.

15 (2) Determine a sufficient number of partici-  
16 pating hospitals and volume of children's cases,  
17 given existing measures that might be chosen for  
18 evaluation under such a demonstration project.

19 (3) Determine the number of States and variety  
20 of geographic locations that may be required to con-  
21 duct such a demonstration project.

22 (4) Describe alternatives for administering and  
23 directing funding for such a demonstration project,  
24 taking into consideration the potential involvement  
25 of multiple States, State plans under title XIX of

1 the Social Security Act (42 U.S.C. 1396 et seq.),  
 2 and State child health plans under title XXI of such  
 3 Act (42 U.S.C. 1397aa et seq.). Such description  
 4 shall be included in the recommendations submitted  
 5 under subsection (a).

6 (5) Determine requirements for consistency in  
 7 measures, metrics, and risk adjustment for such a  
 8 demonstration project, across hospitals and across  
 9 State lines.

10 (6) Consider the infrastructure requirements in-  
 11 volved in public reporting of quality and perform-  
 12 ance measures for children's inpatient hospital serv-  
 13 ices at the national and State levels, including the  
 14 requirements involved with respect to maintaining  
 15 such measures and data.

16 (7) Estimate the cost of undertaking such a  
 17 demonstration project.

18 (c) SUGGESTION OF EXISTING MEASURES FOR EVAL-  
 19 UATION UNDER THE DEMONSTRATION PROJECT.—

20 (1) IN GENERAL.—The report submitted under  
 21 subsection (a) shall include suggestions for existing  
 22 measures to be evaluated under the demonstration  
 23 project recommended in such report, including, to  
 24 the extent feasible, measures with respect to—

1 (A) high volume pediatric inpatient condi-  
2 tions;

3 (B) high cost pediatric inpatient services;

4 (C) pediatric conditions with predicted  
5 high morbidities; and

6 (D) pediatric cases at high risk of patient  
7 safety failures.

8 (2) SUGGESTED MEASURES.—The measures  
9 suggested under paragraph (1) shall be measures  
10 representing process, structure, patient outcomes, or  
11 patient and family experience—

12 (A) that are evidence-based;

13 (B) that are feasible to collect and report;

14 (C) that include a mechanism for risk ad-  
15 justment when necessary; and

16 (D) for which there is a consensus within  
17 the pediatric hospital community or a consensus  
18 determined by a voluntary consensus standards  
19 setting organization involved in the advance-  
20 ment of evidence-based measures of health care.

21 (3) CONSULTATION.—In determining the exist-  
22 ing measures suggested under paragraph (1), the  
23 Comptroller General shall consult with representa-  
24 tives of the following:

1 (A) National associations of pediatric hos-  
2 pitals and pediatric health professionals.

3 (B) Experts in pediatric quality and per-  
4 formance measurement.

5 (C) Voluntary consensus standards setting  
6 organizations and other organizations involved  
7 in the advancement of consensus on evidence-  
8 based measures.

9 (D) The Department of Health and  
10 Human Services, States, and other purchasers  
11 of health care items and services.

12 **SEC. 505. MEDICAL HOME DEMONSTRATION PROJECT.**

13 (a) ESTABLISHMENT.—

14 (1) IN GENERAL.—The Secretary of Health and  
15 Human Services (in this section referred to as the  
16 “Secretary”) shall establish a medical home dem-  
17 onstration project (in this section referred to as the  
18 “project”) under titles XIX and XXI of the Social  
19 Security Act (42 U.S.C. 1396 et seq.; 1397aa et  
20 seq.) to redesign the health care delivery system by  
21 providing targeted, accessible, continuous, coordi-  
22 nated, and family-centered care to eligible individ-  
23 uals.

(2) ELIGIBLE INDIVIDUALS DEFINED.—In this section, the term “eligible individual” means an individual who—

(A) is receiving child health assistance under a State child health plan implemented under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.), title XIX of such Act (42 U.S.C. 1396 et seq.), or both such titles; and

(B) is a member of a high need population (as determined by the Secretary).

(3) PROJECT GOALS.—The project shall be designed in order to determine whether, and if so, the extent to which, medical homes accomplish the following:

(A) Increase—

(i) cost efficiencies of health care delivery;

(ii) access to appropriate health care services;

(iii) patient satisfaction;

(iv) school attendance; and

(v) the quality of health care services provided, as determined based on measures of quality the Secretary determines are

1 broadly accepted in the health care com-  
 2 munity.

3 (B) Decrease—

4 (i) inappropriate emergency room uti-  
 5 lization; and

6 (ii) duplication of health care services  
 7 provided.

8 (C) Provide appropriate—

9 (i) preventive care; and

10 (ii) referrals to multidisciplinary serv-  
 11 ices.

12 (b) PROJECT DESIGN.—

13 (1) DURATION.—The project shall be conducted  
 14 for a 5 year period.

15 (2) SITES.—

16 (A) IN GENERAL.—The project shall be  
 17 conducted in 8 States on a State-wide basis.

18 (B) APPLICATION.—A State seeking to  
 19 participate in the project shall submit an appli-  
 20 cation to the Secretary at such time, in such  
 21 manner, and containing such information as the  
 22 Secretary may require.

23 (3) CONDUCT OF PROJECT.—

24 (A) AGREEMENTS WITH ACADEMIC INSTI-  
 25 TUTIONS.—A participating State may enter into

1 an agreement with an academic institution in  
 2 order to have the institution conduct the  
 3 project, provide technical assistance and moni-  
 4 toring, and to participate in the evaluation of  
 5 the project under subsection (e)(1).

6 (B) CHOICE OF PARTICIPATING PHYSICIAN  
 7 PRACTICES.—

8 (i) IN GENERAL.—A participating  
 9 State shall establish procedures for physi-  
 10 cian practices to participate in the project  
 11 by providing coordinated care to eligible in-  
 12 dividuals. Such participation shall be on a  
 13 voluntary basis.

14 (ii) STANDARDS FOR PARTICIPATING  
 15 PHYSICIAN PRACTICES.—The procedures  
 16 established under clause (i) shall encourage  
 17 physician practices participating in the  
 18 project to demonstrate that they have—

19 (I) identified care coordinators,  
 20 family resource guides, family advi-  
 21 sors, and a family advisory committee;

22 (II) developed care plans for eli-  
 23 gible individuals; and

24 (III) taken such other actions as  
 25 the State determines appropriate in



1                   order to provide coordinated care to  
2                   eligible individuals.

3       (c) PROJECT REQUIREMENTS.—Each participating  
4 State shall establish procedures in order to ensure that  
5 the following requirements are met:

6           (1) Each eligible individual in the State who is  
7       enrolled in the project is provided a medical home  
8       with access to appropriate medical care.

9           (2) Each medical home in the State that is par-  
10      ticipating in the project—

11           (A) provides for physician-directed care co-  
12      ordination;

13           (B) uses health information technology (in-  
14      cluding patient registry systems, clinical deci-  
15      sion support tools, remote monitoring, and elec-  
16      tronic medical record systems);

17           (C) communicates with physician practices  
18      participating in the project, eligible individuals  
19      receiving health care through the medical home,  
20      and other health care providers (as appropriate)  
21      with respect to health matters, including  
22      through electronic mail and telephone consulta-  
23      tions;

24           (D) makes arrangements with teams of  
25      other health professionals, including care coor-

1           dinators, and facilitates linkages to community  
 2           resources to extend access to the full spectrum  
 3           of health care services that eligible individuals  
 4           require;

5           (E) establishes networks with community  
 6           practices, hospitals, and community health care  
 7           providers to facilitate the exchange of ideas and  
 8           resources in order to improve project outcomes;  
 9           and

10          (F) acts as a facilitator in order to ensure  
 11          that eligible individuals enrolled in the medical  
 12          home under the project receive high-quality care  
 13          at the appropriate time and place in a cost-ef-  
 14          fective manner.

15          (3) The State provides payment (in accordance  
 16          with subsection (d)) and appropriate support for  
 17          physician-directed care coordination services pro-  
 18          vided to eligible individuals under the project.

19          (d) PAYMENT.—

20          (1) IN GENERAL.—The Secretary shall establish  
 21          a structure for payments to participating States for  
 22          the cost of services provided under the project. Such  
 23          structure shall provide payments based on the per-  
 24          formance of medical homes located in the State in

1 achieving quality and efficiency goals (as defined by  
2 the Secretary).

3 (2) PAYMENTS FOR HEALTH INFORMATION  
4 TECHNOLOGY.—

5 (A) IN GENERAL.—The Secretary shall es-  
6 tablish a prospective, bundled, and risk ad-  
7 justed structural practice payment to cover  
8 health information technology expenses incurred  
9 by medical homes under the project.

10 (B) IN GENERAL.—Such payments shall  
11 take into account any expenses the medical  
12 home incurs in order to acquire and utilize  
13 health information technology, such as clinical  
14 decision support tools, patient registries, and  
15 electronic medical records.

16 (3) PAYMENTS FOR PHYSICIAN WORK OUTSIDE  
17 OF OFFICE VISITS.—The Secretary shall establish a  
18 prospective, bundled, and risk adjusted structural  
19 care coordination payment that represents the value  
20 of physician work provided to eligible individuals  
21 under the project that is done outside of any office  
22 visits.

23 (e) EVALUATION AND REPORT.—

24 (1) EVALUATION.—The Secretary, in consulta-  
25 tion with appropriate pediatric medical associations,

1       shall evaluate the project in order to determine the  
2       effectiveness of medical homes in terms of quality  
3       improvement, patient and provider satisfaction, and  
4       the improvement of health outcomes.

5           (2) REPORT.—Not later than 12 months after  
6       completion of the project, the Secretary shall submit  
7       to Congress a report on the project containing the  
8       results of the evaluation conducted under paragraph  
9       (1), together with recommendations for such legisla-  
10      tion and administrative action as the Secretary de-  
11      termines to be appropriate.

12      (f) FUNDING.—

13           (1) IN GENERAL.—There are authorized to be  
14      appropriated, such sums as may be necessary to  
15      carry out this section.

16           (2) PROHIBITION.—Amounts paid to a State  
17      under the project shall not be used for purposes of  
18      claiming a Federal matching payment under section  
19      1903(a) or 2105(a) of the Social Security Act (42  
20      U.S.C. 1396b(a); 1397ee(a)).

21      (g) WAIVER.—The Secretary shall waive compliance  
22      with such requirements of titles XIX and XXI of the So-  
23      cial Security Act (42 U.S.C. 1396 et seq.; 1397aa et seq.)  
24      to the extent and for the period the Secretary finds nec-  
25      essary to conduct the project.

1 **SEC. 506. DISEASE PREVENTION AND TREATMENT DEM-**  
2 **ONSTRATION PROJECTS FOR ETHNIC AND**  
3 **RACIAL MINORITY CHILDREN.**

4 (a) DEFINITIONS.—In this section:

5 (1) CHILD.—The term “child” has the meaning  
6 given such term in section 2110(c)(1) of the Social  
7 Security Act (42 U.S.C. 1397jj(c)(1)).

8 (2) MEDICAID.—The term “Medicaid” means  
9 the program established under title XIX of the So-  
10 cial Security Act (42 U.S.C. 1396 et seq.).

11 (3) PROJECTS.—The term “projects” means  
12 the demonstration projects established under sub-  
13 section (b)(1).

14 (4) SECRETARY.—The term “Secretary” means  
15 the Secretary of Health and Human Services.

16 (5) SCHIP.—The term “SCHIP” means the  
17 State Children’s Health Insurance Program estab-  
18 lished under title XXI of the Social Security Act (42  
19 U.S.C. 1397aa et seq.).

20 (6) TARGET INDIVIDUAL.—

21 (A) IN GENERAL.—The term “target indi-  
22 vidual” means a child—

23 (i) who is a member of a racial and  
24 ethnic minority group; and

1 (ii) who is enrolled in a State Med-  
 2 icaid program or a State child health plan  
 3 under SCHIP.

4 (B) RACIAL AND ETHNIC MINORITY  
 5 GROUP.—The term “racial and ethnic minority  
 6 group” has the meaning given such term in sec-  
 7 tion 1707(g)(1) of the Public Health Service  
 8 Act (42 U.S.C. 300u–6(1)).

9 (b) DEMONSTRATION PROJECTS.—

10 (1) ESTABLISHMENT.—The Secretary shall es-  
 11 tablish demonstration projects for the purpose of de-  
 12 veloping models and evaluating methods that—

13 (A) improve the quality of medical assist-  
 14 ance and child health assistance provided to  
 15 target individuals under Medicaid and SCHIP  
 16 in order to reduce disparities in the provision of  
 17 health care services;

18 (B) improve clinical outcomes, satisfaction,  
 19 quality of life, and the appropriate use of serv-  
 20 ices covered and referral patterns under Med-  
 21 icaid and SCHIP among target individuals;

22 (C) eliminate disparities in the rate of pre-  
 23 ventive measures, such as well child visits and  
 24 immunizations, among target individuals; and

1 (D) promote collaboration with community-  
 2 based organizations to ensure cultural com-  
 3 petency of health care professionals and lin-  
 4 guistic access for persons with limited English  
 5 proficiency.

6 (2) DESIGN.—

7 (A) INITIAL DESIGN.—Not later than 1  
 8 year after the date of enactment of this Act, the  
 9 Secretary shall—

10 (i) evaluate best practices in the pri-  
 11 vate sector, community programs, and aca-  
 12 demic research with respect to methods for  
 13 reducing health care disparities among tar-  
 14 get individuals; and

15 (ii) design the projects based on such  
 16 evaluation.

17 (B) NUMBER AND PROJECT AREAS.—

18 (i) IN GENERAL.—Not later than 2  
 19 years after the date of enactment of this  
 20 Act, the Secretary shall implement not less  
 21 than 9 projects, including the following:

22 (I) Two projects for each of the  
 23 4 following racial and ethnic minority  
 24 groups:

1 (aa) American Indians, in-  
 2 cluding Alaskan Natives, Eski-  
 3 mos, and Aleuts.

4 (bb) Asian Americans and  
 5 Pacific Islanders.

6 (cc) Blacks.

7 (dd) Hispanics (as defined  
 8 in section 1707(g)(2) of the Pub-  
 9 lic Health Service Act (42 U.S.C.  
 10 300u-6(g)(2)).

11 (II) One project within Puerto  
 12 Rico.

13 (ii) SUBPOPULATIONS.—The 2  
 14 projects implemented for the groups de-  
 15 scribed in clause (i)(I) shall each target  
 16 different ethnic subpopulations within such  
 17 groups.

18 (iii) RURAL AND INNER-CITY  
 19 AREAS.—Not less than 1 of the projects  
 20 implemented under clause (i)(I) shall be  
 21 conducted in a rural area and not less than  
 22 1 of such projects shall be conducted in an  
 23 inner-city area.

24 (c) REPORTS TO CONGRESS.—



1           (1) IN GENERAL.—Not later than 2 years after  
2           the date on which the Secretary initially implements  
3           the projects, and biannually thereafter for the dura-  
4           tion of the projects, the Secretary shall submit to  
5           Congress a report on the projects.

6           (2) CONTENTS OF REPORT.—Each report sub-  
7           mitted under paragraph (1) shall include the fol-  
8           lowing:

9                   (A) A description of the projects.

10                  (B) An evaluation of—

11                      (i) the cost and benefits of the  
12                      projects, including whether the projects  
13                      have reduced expenditures under Medicaid  
14                      and SCHIP;

15                      (ii) the quality of the health care serv-  
16                      ices provided to target individuals under  
17                      the projects, including whether the projects  
18                      have reduced racial and ethnic health dis-  
19                      parities in the quality of health care serv-  
20                      ices provided to such individuals;

21                      (iii) beneficiary and health care pro-  
22                      vider satisfaction under the projects; and

23                      (iv) whether, based on the factors  
24                      evaluated under clauses (i) through (iii),

1           the projects should be continued or con-  
2           ducted on an expanded basis.

3           (C) Any other information with respect to  
4           the projects the Secretary determines appro-  
5           priate.

6           (3) EXPANSION OF PROJECTS; IMPLEMENTA-  
7           TION OF RESULTS.—If the initial report submitted  
8           under paragraph (1) includes an evaluation under  
9           paragraph (2)(B)(iv) that the projects initially es-  
10          tablished under subsection (b)(1) should be contin-  
11          ued or conducted on an expanded basis, the Sec-  
12          retary—

13                 (A) shall continue to conduct such  
14                 projects; and

15                 (B) may conduct such additional projects  
16                 as the Secretary determines appropriate.

17          (d) FUNDING FOR PROJECTS.—

18                 (1) IN GENERAL.—There are authorized to be  
19                 appropriated, such sums as may be necessary to  
20                 carry out projects under this section.

21                 (2) PROHIBITION.—Amounts paid to a State or  
22                 territory under the projects shall not be used for  
23                 purposes of claiming a Federal matching payment  
24                 under section 1903(a) or 2105(a) of the Social Secu-  
25                 rity Act (42 U.S.C. 1396b(a); 1397ee(a)).

1 (e) WAIVER.—The Secretary shall waive compliance  
 2 with such requirements of titles XIX and XXI of the So-  
 3 cial Security Act (42 U.S.C. 1396 et seq.; 1397aa et seq.)  
 4 to the extent and for the period the Secretary finds nec-  
 5 essary to conduct the projects.

## 6 **TITLE VI—COMMISSION ON** 7 **CHILDREN’S HEALTH COVERAGE**

### 8 **SEC. 601. COMMISSION ON CHILDREN’S HEALTH COV-** 9 **ERAGE.**

10 (a) ESTABLISHMENT OF COMMISSION.—

11 (1) ESTABLISHMENT.—There is established a  
 12 commission to be known as the “Commission on  
 13 Children’s Health Coverage” (referred to in this sec-  
 14 tion as the “Commission”).

15 (2) MEMBERSHIP.—

16 (A) IN GENERAL.—The Committee shall be  
 17 composed of 10 members with academic train-  
 18 ing and practical experience in—

19 (i) the areas of—

20 (I) child health and development;

21 (II) maternal health and develop-

22 ment;

23 (III) pediatric care;

24 (IV) health care financing;

1 (V) community-based  
 2 participatory research;

3 (VI) public health;

4 (VII) data collection, analysis,  
 5 and reporting; and

6 (VIII) health and health care dis-  
 7 parities; and

8 (ii) such other areas as the Secretary  
 9 of Health and Human Services (in this  
 10 section referred to as the “Secretary”) de-  
 11 termines appropriate.

12 (B) SELECTION.—The Secretary shall ap-  
 13 point members of the Committee. No candidate  
 14 for appointment on the Committee shall be  
 15 asked to provide non-relevant information, such  
 16 as voting record, political party affiliation, or  
 17 position on particular policies.

18 (3) TERM; VACANCIES.—

19 (A) TERM.—A member shall be appointed  
 20 for the life of the Commission.

21 (B) VACANCIES.—A vacancy on the Com-  
 22 mission—

23 (i) shall not affect the powers of the  
 24 Commission; and

1 (ii) shall be filled in the same manner  
2 as the original appointment was made.

3 (4) MEETINGS.—The Commission shall meet at  
4 the call of the Chairperson.

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

8 (6) CHAIRPERSON AND VICE CHAIRPERSON.—  
9 The Commission shall select a Chairperson from  
10 among the members of the Commission.

11 (b) DUTIES.—

12 (1) STUDY.—The Commission shall conduct a  
13 study of all matters relating to children’s health cov-  
14 erage.

15 (2) RECOMMENDATIONS.—The Commission  
16 shall develop recommendations on policy improve-  
17 ments at the State and national levels, and in the  
18 private sector, with respect to children’s health cov-  
19 erage.

20 (3) REPORT.—

21 (A) ANNUAL REPORTS.—During the 2 year  
22 period beginning on the date of enactment of  
23 this Act, the Commission shall submit to the  
24 President and Congress annual reports evalu-  
25 ating the status of children’s health coverage,

1 together with recommendations for such legisla-  
 2 tion and administrative administrative actions  
 3 as the Commission determines would result in  
 4 improvements in such health coverage at the  
 5 State and national levels, and in the private  
 6 sector.

7 (B) FINAL REPORT.—Not later than 3  
 8 years after such date of enactment, the Com-  
 9 mission shall submit to the President and Con-  
 10 gress a report that contains the recommenda-  
 11 tions of the Commission for such legislation and  
 12 administrative actions as the Commission deter-  
 13 mines would result in comprehensive health cov-  
 14 erage of all children in the United States.

15 (c) POWERS.—

16 (1) HEARINGS.—The Commission may hold  
 17 such hearings, meet and act at such times and  
 18 places, take such testimony, and receive such evi-  
 19 dence as the Commission considers advisable to  
 20 carry out this Act.

21 (2) INFORMATION FROM FEDERAL AGENCIES.—

22 (A) IN GENERAL.—The Commission may  
 23 secure directly from a Federal agency such in-  
 24 formation as the Commission considers nec-  
 25 essary to carry out this Act.

1 (B) PROVISION OF INFORMATION.—On re-  
 2 quest of the Chairperson of the Commission,  
 3 the head of the agency shall provide the infor-  
 4 mation to the Commission.

5 (3) POSTAL SERVICES.—The Commission may  
 6 use the United States mails in the same manner and  
 7 under the same conditions as other agencies of the  
 8 Federal Government.

9 (4) GIFTS.—The Commission may accept, use,  
 10 and dispose of gifts or donations of services or prop-  
 11 erty.

12 (d) COMMISSION PERSONNEL MATTERS.—

13 (1) COMPENSATION OF MEMBERS.—

14 (A) NON-FEDERAL EMPLOYEES.—A mem-  
 15 ber of the Commission who is not an officer or  
 16 employee of the Federal Government shall be  
 17 compensated at a rate equal to the daily equiva-  
 18 lent of the annual rate of basic pay prescribed  
 19 for level IV of the Executive Schedule under  
 20 section 5315 of title 5, United States Code, for  
 21 each day (including travel time) during which  
 22 the member is engaged in the performance of  
 23 the duties of the Commission.

24 (B) FEDERAL EMPLOYEES.—A member of  
 25 the Commission who is an officer or employee

1 of the Federal Government shall serve without  
2 compensation in addition to the compensation  
3 received for the services of the member as an  
4 officer or employee of the Federal Government.

5 (2) TRAVEL EXPENSES.—A member of the  
6 Commission shall be allowed travel expenses, includ-  
7 ing per diem in lieu of subsistence, at rates author-  
8 ized for an employee of an agency under subchapter  
9 I of chapter 57 of title 5, United States Code, while  
10 away from the home or regular place of business of  
11 the member in the performance of the duties of the  
12 Commission.

13 (3) STAFF.—

14 (A) IN GENERAL.—The Chairperson of the  
15 Commission may, without regard to the civil  
16 service laws (including regulations), appoint  
17 and terminate an executive director and such  
18 other additional personnel as are necessary to  
19 enable the Commission to perform the duties of  
20 the Commission.

21 (B) CONFIRMATION OF EXECUTIVE DIREC-  
22 TOR.—The employment of an executive director  
23 shall be subject to confirmation by the Commis-  
24 sion.

25 (C) COMPENSATION.—



1 (i) IN GENERAL.—Except as provided  
 2 in subparagraph (B), the Chairperson of  
 3 the Commission may fix the compensation  
 4 of the executive director and other per-  
 5 sonnel without regard to the provisions of  
 6 chapter 51 and subchapter III of chapter  
 7 53 of title 5, United States Code, relating  
 8 to classification of positions and General  
 9 Schedule pay rates.

10 (ii) MAXIMUM RATE OF PAY.—The  
 11 rate of pay for the executive director and  
 12 other personnel shall not exceed the rate  
 13 payable for level V of the Executive Sched-  
 14 ule under section 5316 of title 5, United  
 15 States Code.

16 (4) DETAIL OF FEDERAL GOVERNMENT EM-  
 17 PLOYEES.—

18 (A) IN GENERAL.—An employee of the  
 19 Federal Government may be detailed to the  
 20 Commission without reimbursement.

21 (B) CIVIL SERVICE STATUS.—The detail of  
 22 the employee shall be without interruption or  
 23 loss of civil service status or privilege.

24 (5) PROCUREMENT OF TEMPORARY AND INTER-  
 25 MITTENT SERVICES.—The Chairperson of the Com-

1 mission may procure temporary and intermittent  
2 services in accordance with section 3109(b) of title  
3 5, United States Code, at rates for individuals that  
4 do not exceed the daily equivalent of the annual rate  
5 of basic pay prescribed for level V of the Executive  
6 Schedule under section 5316 of that title.

7 (e) AUTHORIZATION OF APPROPRIATIONS.—There  
8 are authorized to be appropriated such sums as are nec-  
9 essary to carry out this section.

10 (f) TERMINATION OF COMMISSION.—The Commis-  
11 sion shall terminate 90 days after the date on which the  
12 Commission submits the final report of the Commission  
13 under subsection (b)(3)(B).

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