

110TH CONGRESS
1ST SESSION

S. 794

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

IN THE SENATE OF THE UNITED STATES

MARCH 7, 2007

Mrs. LINCOLN (for herself, Mr. LUGAR, Mr. BINGAMAN, and Ms. SNOWE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Prevent Prematurity
5 and Improve Child Health Act of 2007".

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

4 (a) MEDICAID.—

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

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

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

18 (B) in subsection (u)—

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

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

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

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

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

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

16 “(ii) The State does not apply an effective
17 income level for pregnant women that is lower
18 than the effective income level (expressed as a
19 percent of the poverty line and considering ap-
20 plicable income disregards) specified under the
21 State plan under subsection (a)(10)(A)(i)(III)
22 or (l)(2)(A) of section 1902, on January 1,
23 2008, to be eligible for medical assistance as a
24 pregnant woman.

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

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

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

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

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

20 (b) SCHIP.—

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

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

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

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

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

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

17 “(1) **PREGNANCY-RELATED ASSISTANCE.**—The
18 term ‘pregnancy-related assistance’ has the meaning
19 given the term ‘child health assistance’ in section
20 2110(a) as if any reference to targeted low-income
21 children were a reference to targeted low-income
22 pregnant women.

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)(D) 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 ALLOTMENTS FOR PROVIDING
2 COVERAGE OF PREGNANT WOMEN.—

3 (A) IN GENERAL.—Section 2104 of the So-
4 cial Security Act (42 U.S.C. 1397dd) is amend-
5 ed by adding at the end the following new sub-
6 section:

7 “(h) ADDITIONAL ALLOTMENTS FOR PROVIDING
8 COVERAGE OF PREGNANT WOMEN.—

9 “(1) APPROPRIATION; TOTAL ALLOTMENT.—
10 For the purpose of providing additional allotments
11 to States under this title, there is appropriated, out
12 of any money in the Treasury not otherwise appro-
13 priated, for each of fiscal years 2008 through 2012,
14 \$200,000,000.

15 “(2) STATE AND TERRITORIAL ALLOTMENTS.—
16 In addition to the allotments provided under sub-
17 sections (b) and (c), subject to paragraphs (3) and
18 (4), of the amount available for the additional allot-
19 ments under paragraph (1) for a fiscal year, the
20 Secretary shall allot to each State with a State child
21 health plan approved under this title—

22 “(A) in the case of such a State other than
23 a commonwealth or territory described in sub-
24 paragraph (B), the same proportion as the pro-
25 portion of the State’s allotment under sub-

1 section (b) (determined without regard to sub-
2 section (f)) to the total amount of the allot-
3 ments under subsection (b) for such States eli-
4 gible for an allotment under this paragraph for
5 such fiscal year; and

6 “(B) in the case of a commonwealth or ter-
7 ritory described in subsection (c)(3), the same
8 proportion as the proportion of the common-
9 wealth’s or territory’s allotment under sub-
10 section (c) (determined without regard to sub-
11 section (f)) to the total amount of the allot-
12 ments under subsection (c) for commonwealths
13 and territories eligible for an allotment under
14 this paragraph for such fiscal year.

15 “(3) USE OF ADDITIONAL ALLOTMENT.—Addi-
16 tional allotments provided under this subsection are
17 not available for amounts expended before October
18 1, 2007. Such amounts are available for amounts ex-
19 pended on or after such date for child health assist-
20 ance for targeted low-income children, as well as for
21 pregnancy-related assistance for targeted low-income
22 pregnant women.

23 “(4) NO PAYMENTS UNLESS ELECTION TO EX-
24 PAND COVERAGE OF PREGNANT WOMEN.—No pay-
25 ments may be made to a State under this title from

1 an allotment provided under this subsection unless
2 the State provides pregnancy-related assistance for
3 targeted low-income pregnant women under this
4 title, or provides medical assistance for pregnant
5 women under title XIX, whose family income ex-
6 ceeds the effective income level applicable under sub-
7 section (a)(10)(A)(i)(III) or (l)(2)(A) of section
8 1902 to a family of the size involved on January 1,
9 2008.”.

10 (B) CONFORMING AMENDMENTS.—Section
11 2104 of the Social Security Act (42 U.S.C.
12 1397dd) is amended—

13 (i) in subsection (a), in the matter
14 preceding paragraph (1), by striking “sub-
15 section (d)” and inserting “subsections (d)
16 and (h)”;

17 (ii) in subsection (b)(1), by striking
18 “subsection (d)” and inserting “sub-
19 sections (d) and (h)”;

20 (iii) in subsection (c)(1), by striking
21 “subsection (d),” and inserting “sub-
22 sections (d) and (h)”.

23 (3) ADDITIONAL CONFORMING AMENDMENTS.—

24 (A) NO COST SHARING FOR PREGNANCY-
25 RELATED BENEFITS.—Section 2103(e)(2) of

1 the Social Security Act (42 U.S.C.
2 1397cc(e)(2)) is amended—

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

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

9 (B) NO WAITING PERIOD.—Section
10 2102(b)(1)(B) of the Social Security Act (42
11 U.S.C. 1397bb(b)(1)(B)) is amended—

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

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

16 (iii) by adding at the end the fol-
17 lowing new clause:

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

22 (c) AUTHORITY FOR STATES THAT PROVIDE MED-
23 ICAID OR SCHIP COVERAGE FOR PREGNANT WOMEN
24 WITH INCOME ABOVE 185 PERCENT OF THE POVERTY
25 LINE TO USE PORTION OF SCHIP FUNDS FOR MEDICAID

1 EXPENDITURES.—Section 2105(g) of the Social Security
2 Act (42 U.S.C. 1397ee(g)) is amended—

3 (1) in the subsection heading, by inserting
4 “AND CERTAIN PREGNANCY COVERAGE EXPANSION
5 STATES” after “QUALIFYING STATES”;

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

7 “(4) SPECIAL AUTHORITY FOR CERTAIN PREG-
8 NANCY COVERAGE EXPANSION STATES.—

9 “(A) IN GENERAL.—In the case of a State
10 that, as of the date of enactment of the Prevent
11 Prematurity and Improve Child Health Act of
12 2007, has an income eligibility standard under
13 title XIX or this title (under section
14 1902(a)(10)(A) or under a statewide waiver in
15 effect under section 1115 with respect to title
16 XIX or this title) that is at least 185 percent
17 of the poverty line with respect to pregnant
18 women, the State may elect to use not more
19 than 20 percent of any allotment under section
20 2104 for any fiscal year (insofar as it is avail-
21 able under any subsection of such section) for
22 payments under title XIX in accordance with
23 subparagraph (B), instead of for expenditures
24 under this title.

25 “(B) PAYMENTS TO STATES.—

1 “(i) IN GENERAL.—In the case of a
2 State described in subparagraph (A) that
3 has elected the option described in that
4 subparagraph, subject to the availability of
5 funds under such subparagraph and, if ap-
6 plicable, paragraph (1)(A), with respect to
7 the State, the Secretary shall pay the State
8 an amount each quarter equal to the addi-
9 tional amount that would have been paid
10 to the State under title XIX with respect
11 to expenditures described in clause (ii) if
12 the enhanced FMAP (as determined under
13 subsection (b)) had been substituted for
14 the Federal medical assistance percentage
15 (as defined in section 1905(b)).

16 “(ii) EXPENDITURES DESCRIBED.—
17 For purposes of this subparagraph, the ex-
18 penditures described in this clause are ex-
19 penditures, made after the date of the en-
20 actment of this paragraph and during the
21 period in which funds are available to the
22 State for use under subparagraph (A), for
23 medical assistance under title XIX for
24 pregnant women whose family income is at
25 least 185 percent of the poverty line.

1 “(iii) NO IMPACT ON DETERMINATION
2 OF BUDGET NEUTRALITY FOR WAIVERS.—
3 In the case of a State described in sub-
4 paragraph (A) that uses amounts paid
5 under this paragraph for expenditures de-
6 scribed in clause (ii) that are incurred
7 under a waiver approved for the State, any
8 budget neutrality determinations with re-
9 spect to such waiver shall be determined
10 without regard to such amounts paid.”;
11 and

12 (3) in paragraph (3), by striking “and (2)” and
13 inserting “(2), and (4)”.

14 (d) OTHER AMENDMENTS TO MEDICAID.—

15 (1) ELIGIBILITY OF A NEWBORN.—Section
16 1902(e)(4) of the Social Security Act (42 U.S.C.
17 1396a(e)(4)) is amended in the first sentence by
18 striking “so long as the child is a member of the
19 woman’s household and the woman remains (or
20 would remain if pregnant) eligible for such assist-
21 ance”.

22 (2) APPLICATION OF QUALIFIED ENTITIES TO
23 PRESUMPTIVE ELIGIBILITY FOR PREGNANT WOMEN
24 UNDER MEDICAID.—Section 1920(b) of the Social
25 Security Act (42 U.S.C. 1396r–1(b)) is amended by

1 adding after paragraph (2) the following flush sen-
2 tence:

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

5 (e) EFFECTIVE DATE.—The amendments made by
6 this section apply to items and services furnished on or
7 after October 1, 2007, without regard to whether regula-
8 tions implementing such amendments have been promul-
9 gated.

10 **SEC. 3. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS**
11 **UNDER THE MEDICAID PROGRAM AND SCHIP.**

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

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

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

18 “(4)(A) A State may elect (in a plan amendment
19 under this title) to provide medical assistance under this
20 title for aliens who are lawfully residing in the United
21 States (including battered aliens described in section
22 431(c) of the Personal Responsibility and Work Oppor-
23 tunity Reconciliation Act of 1996) and who are otherwise
24 eligible for such assistance, within any of the following eli-
25 gibility categories:

1 “(i) PREGNANT WOMEN.—Women during preg-
2 nancy (and during the 60-day period beginning on
3 the last day of the pregnancy).

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

7 “(B)(i) In the case of a State that has elected to pro-
8 vide medical assistance to a category of aliens under sub-
9 paragraph (A), no debt shall accrue under an affidavit of
10 support against any sponsor of such an alien on the basis
11 of provision of assistance to such category and the cost
12 of such assistance shall not be considered as an unreim-
13 bursed cost.

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

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

21 “(E) Section 1903(v)(4) (relating to op-
22 tional coverage of permanent resident alien
23 pregnant women and children), but only with
24 respect to an eligibility category under this title,

1 if the same eligibility category has been elected
2 under such section for purposes of title XIX.”.

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

7 **SEC. 4. PROMOTING CESSATION OF TOBACCO USE UNDER**
8 **THE MEDICAID PROGRAM.**

9 (a) DROPPING EXCEPTION FROM MEDICAID PRE-
10 SCRIPTON DRUG COVERAGE FOR TOBACCO CESSATION
11 MEDICATIONS.—Section 1927(d)(2) of the Social Security
12 Act (42 U.S.C. 1396r–8(d)(2)) is amended—

13 (1) by striking subparagraph (E);

14 (2) by redesignating subparagraphs (F)
15 through (J) as subparagraphs (E) through (I), re-
16 spectively; and

17 (3) in subparagraph (F) (as redesignated by
18 paragraph (2)), by inserting before the period at the
19 end the following: “, except agents approved by the
20 Food and Drug Administration for purposes of pro-
21 moting, and when used to promote, tobacco ces-
22 sation”.

23 (b) REQUIRING COVERAGE OF TOBACCO CESSATION
24 COUNSELING SERVICES FOR PREGNANT WOMEN.—Sec-

1 tion 1905 of the Social Security Act (42 U.S.C.
2 1396d(a)(4)) is amended—

3 (1) in subsection (a)(4)—

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

5 (B) by inserting before the semicolon at
6 the end the following new subparagraph: “; and

7 (D) counseling for cessation of tobacco use (as
8 defined in subsection (y)) for pregnant women”;

9 and

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

11 “(y)(1) For purposes of this title, the term ‘coun-
12 seling for cessation of tobacco use’ means therapy and
13 counseling for cessation of tobacco use for pregnant
14 women who use tobacco products or who are being treated
15 for tobacco use that is furnished—

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

17 or

18 “(B) by any other health care professional
19 who—

20 “(i) is legally authorized to furnish such
21 services under State law (or the State regu-
22 latory mechanism provided by State law) of the
23 State in which the services are furnished; and

1 “(ii) is authorized to receive payment for
2 other services under this title or is designated
3 by the Secretary for this purpose.

4 “(2) Subject to paragraph (3), such term is limited
5 to—

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

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

13 “(3) Such term shall not include coverage for drugs
14 or biologicals that are not otherwise covered under this
15 title.”.

16 (c) REMOVAL OF COST SHARING FOR TOBACCO CES-
17 SATION COUNSELING SERVICES FOR PREGNANT
18 WOMEN.—

19 (1) GENERAL COST SHARING LIMITATIONS.—
20 Section 1916 of the Social Security Act (42 U.S.C.
21 1396o) is amended in each of subsections (a)(2)(B)
22 and (b)(2)(B) by inserting “, and counseling for ces-
23 sation of tobacco use (as defined in section
24 1905(y))” after “complicate the pregnancy”.

1 (2) APPLICATION TO ALTERNATIVE COST SHAR-
 2 ING.—Section 1916A(b)(3)(B)(iii) of such Act (42
 3 U.S.C. 1396o–1(b)(3)(B)(iii)) is amended by insert-
 4 ing “, and counseling for cessation of tobacco use by
 5 pregnant women (as defined in section 1905(y))”
 6 after “complicate the pregnancy”.

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

11 **SEC. 5. STATE OPTION TO PROVIDE FAMILY PLANNING**
 12 **SERVICES AND SUPPLIES TO INDIVIDUALS**
 13 **WITH INCOMES THAT DO NOT EXCEED A**
 14 **STATE’S INCOME ELIGIBILITY LEVEL FOR**
 15 **MEDICAL ASSISTANCE.**

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

18 (1) by redesignating section 1939 as section
 19 1940; and

20 (2) by inserting after section 1938 the following
 21 new section:

22 “STATE OPTION TO PROVIDE FAMILY PLANNING
 23 SERVICES AND SUPPLIES

24 “SEC. 1939. (a) IN GENERAL.—Subject to sub-
 25 sections (b) and (c), a State may elect (through a State
 26 plan amendment) to make medical assistance described in

1 section 1905(a)(4)(C) available to any individual whose
2 family income does not exceed the greater of—

3 “(1) 185 percent of the income official poverty
4 line (as defined by the Office of Management and
5 Budget, and revised annually in accordance with sec-
6 tion 673(2) of the Omnibus Budget Reconciliation
7 Act of 1981) applicable to a family of the size in-
8 volved; or

9 “(2) the eligibility income level (expressed as a
10 percentage of such poverty line) that has been speci-
11 fied under a waiver authorized by the Secretary or
12 under section 1902(r)(2)), on October 1, 2007, for
13 an individual to be eligible for medical assistance
14 under the State plan.

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

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

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

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

3 “(1) INITIAL PERIOD.—A State plan amend-
4 ment made under subsection (a) may provide that
5 any individual who was receiving medical assistance
6 described in section 1905(a)(4)(C) as a result of
7 such amendment, and who becomes ineligible for
8 such assistance because of hours of, or income from,
9 employment, may remain eligible for such medical
10 assistance through the end of the 6-month period
11 that begins on the first day the individual becomes
12 so ineligible.

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

20 (b) EFFECTIVE DATE.—The amendments made by
21 subsection (a) apply to medical assistance provided on and
22 after October 1, 2007.

1 **SEC. 6. STATE OPTION TO EXTEND THE POSTPARTUM PE-**
 2 **RIOD FOR PROVISION OF FAMILY PLANNING**
 3 **SERVICES AND SUPPLIES.**

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

6 (1) by striking “eligible under the plan, as
 7 though” and inserting “eligible under the plan—

8 “(A) as though”;

9 (2) by striking the period and inserting “;
 10 and”; and

11 (3) by adding at the end the following new sub-
 12 paragraph:

13 “(B) for medical assistance described in section
 14 1905(a)(4)(C) for so long as the family income of
 15 such woman does not exceed the maximum income
 16 level established by the State for the woman to be
 17 eligible for medical assistance under the State plan
 18 (as a result of pregnancy or otherwise).”.

19 (b) EFFECTIVE DATE.—The amendments made by
 20 subsection (a) apply to medical assistance provided on and
 21 after October 1, 2007.

22 **SEC. 7. STATE OPTION TO PROVIDE SUPPLEMENTAL SCHIP**
 23 **COVERAGE TO CHILDREN WHO HAVE OTHER**
 24 **HEALTH COVERAGE.**

25 (a) IN GENERAL.—

26 (1) SCHIP.—

1 (A) STATE OPTION TO PROVIDE SUPPLE-
 2 MENTAL COVERAGE.—Section 2110(b) of the
 3 Social Security Act (42 U.S.C. 1397jj(b)) is
 4 amended—

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

8 (ii) by adding at the end the fol-
 9 lowing:

10 “(5) STATE OPTION TO PROVIDE SUPPLE-
 11 MENTAL COVERAGE.—

12 “(A) IN GENERAL.—A State may waive
 13 the requirement of paragraph (1)(C) that a tar-
 14 geted low-income child may not be covered
 15 under a group health plan or under health in-
 16 surance coverage if the State satisfies the con-
 17 ditions described in subsection (e)(9). The State
 18 may waive such requirement in order to pro-
 19 vide—

20 “(i) services for children with special
 21 health care needs (as defined for purposes
 22 of title V); or

23 “(ii) all services.

24 “(B) AUTHORITY TO LIMIT INCOME ELIGI-
 25 BILITY.—In waiving such requirement, a State

1 may limit the application of the waiver to chil-
2 dren whose family income does not exceed a
3 level specified by the State, so long as the level
4 so specified does not exceed the maximum in-
5 come level otherwise established for other chil-
6 dren under the State child health plan.”.

7 (B) CONDITIONS DESCRIBED.—Section
8 2105(c) of the Social Security Act (42 U.S.C.
9 1397ee(c)) is amended by adding at the end the
10 following:

11 “(9) CONDITIONS FOR PROVISION OF SUPPLE-
12 MENTAL COVERAGE.—For purposes of section
13 2110(b)(5), the conditions described in this para-
14 graph are the following:

15 “(A) INCOME ELIGIBILITY.—The State
16 child health plan (whether implemented under
17 title XIX or this title)—

18 “(i) has the highest income eligibility
19 standard permitted under this title on Jan-
20 uary 1, 2008;

21 “(ii) subject to subparagraph (B),
22 does not limit the acceptance of applica-
23 tions for children; and

1 “(iii) provides benefits to all children
2 in the State who apply for and meet eligi-
3 bility standards.

4 “(B) NO WAITING LIST IMPOSED.—With
5 respect to children whose family income is at or
6 below 200 percent of the poverty line, the State
7 does not impose any numerical limitation, wait-
8 ing list, or similar limitation on the eligibility of
9 such children for child health assistance under
10 such State plan.

11 “(C) NO MORE FAVORABLE TREATMENT.—
12 The State child health plan may not provide
13 more favorable coverage of dental services to
14 the children covered under section 2110(b)(5)
15 than to children otherwise covered under this
16 title.”.

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

21 (i) in clause (ii), by striking “and” at
22 the end;

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

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

3 “(iv) at State option, may not apply a
4 waiting period in the case of a child de-
5 scribed in section 2110(b)(5), if the State
6 satisfies the requirements of section
7 2105(c)(9).”.

8 (2) APPLICATION OF ENHANCED MATCH UNDER
9 MEDICAID.—Section 1905 of the Social Security Act
10 (42 U.S.C. 1396d), as amended by section 2(a)(2),
11 is amended—

12 (A) in subsection (b), in the fourth sen-
13 tence, by striking “or (u)(4)” and inserting
14 “(u)(4), or (u)(5)”; and

15 (B) in subsection (u)—

16 (i) by redesignating paragraph (5) as
17 paragraph (6); and

18 (ii) by inserting after paragraph (4)
19 the following:

20 “(5) For purposes of subsection (b), the ex-
21 penditures described in this paragraph are expendi-
22 tures for items and services for children described in
23 section 2110(b)(5), but only in the case of a State
24 that satisfies the requirements of section
25 2105(c)(8).”.

1 (3) APPLICATION OF SECONDARY PAYOR PROVI-
 2 SIONS.—Section 2107(e)(1) of the Social Security
 3 Act (42 U.S.C. 1397gg(e)(1)), as amended by sec-
 4 tion 3(b), is amended by adding at the end the fol-
 5 lowing:

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

10 (b) EFFECTIVE DATE.—The amendments made by
 11 subsection (a) shall take effect on January 1, 2008, and
 12 shall apply to child health assistance and medical assist-
 13 ance provided on or after that date.

14 **SEC. 8. DEMONSTRATION PROJECT FOR COVERAGE OF**
 15 **TELEMEDICINE SERVICES UNDER MEDICAID.**

16 (a) DEFINITIONS.—

17 (1) APPLICABLE INDIVIDUAL.—The term “ap-
 18 plicable individual” means an individual who—

19 (A) is eligible for benefits under a State
 20 plan under title XIX of the Social Security Act
 21 (42 U.S.C. 1396 et seq.);

22 (B) is a pregnant woman;

23 (C) is at risk of complications in preg-
 24 nancy or preterm birth; and

25 (D) resides in a rural area.

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

4 (3) RURAL AREA.—The term “rural area”
5 means an area not within a Metropolitan Statistical
6 Area (as defined by the Office of Management and
7 Budget).

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

10 (5) STATE.—The term “State” has the mean-
11 ing given such term for purposes of title XIX of the
12 Social Security Act (42 U.S.C. 1396 et seq.).

13 (6) TELEMEDICINE SERVICES.—The term “tele-
14 medicine services” means the provision of health
15 care consultations and diagnoses by an off-site spe-
16 cialist using equipment that allows the specialist to
17 be connected to a local provider and a patient in real
18 time during a patient visit.

19 (b) ESTABLISHMENT.—

20 (1) IN GENERAL.—The Secretary shall establish
21 a demonstration program (in this section referred to
22 as the “program”) to provide payments to States for
23 the cost of providing telemedicine services for the
24 treatment of applicable individuals.

25 (2) SITES.—

1 (A) IN GENERAL.—The demonstration
2 shall be conducted at not less than 3 and not
3 more than 5 sites.

4 (B) COMPOSITION.—Each site shall be
5 composed of a single rural area.

6 (3) DURATION.—The demonstration shall be
7 conducted for a period of 3 years.

8 (c) USE OF FUNDS.—Funds provided to a State
9 under the program shall be used to reimburse local pro-
10 viders and off-site specialists for the cost of providing tele-
11 medicine services for the treatment of applicable individ-
12 uals.

13 (d) EVALUATIONS AND REPORTS.—

14 (1) INITIAL EVALUATION AND REPORT.—Not
15 later than 24 months after the date of enactment of
16 this Act, the Secretary shall provide to Congress an
17 interim report on the demonstration containing an
18 evaluation of the impact of the demonstration on
19 health outcomes and cost-effectiveness.

20 (2) FINAL REPORT.—Not later than 6 months
21 after the completion of the program under this sec-
22 tion, the Secretary shall submit to Congress a report
23 on such program, together with recommendations for
24 such legislation and administrative action as the
25 Secretary determines to be appropriate.

1 (e) PROHIBITION.—Amounts paid to a State under
 2 the program shall not be used for purposes of claiming
 3 a Federal matching payment under section 1903(a) of the
 4 Social Security Act (42 U.S.C. 1396b(a)).

5 (f) LIMITATION ON PAYMENT AMOUNTS.—In no case
 6 may the aggregate amount paid by the Secretary to States
 7 under the program exceed \$15,000,000.

8 (g) WAIVER.—The Secretary shall waive compliance
 9 with such requirements of the Medicaid program to the
 10 extent and for the period the Secretary finds necessary
 11 to conduct the program.

12 **SEC. 9. PEDIATRIC AND PERINATAL QUALITY MEASURES.**

13 (a) PEDIATRIC AND PERINATAL QUALITY MEAS-
 14 URES.—

15 (1) IN GENERAL.—The Secretary of Health and
 16 Human Services (in this section referred to as the
 17 “Secretary”) shall develop and disseminate a na-
 18 tional set of core pediatric and perinatal quality
 19 measures.

20 (2) CONSULTATION AND COLLABORATION.—

21 (A) COLLABORATION.—In developing and
 22 disseminating such quality measures, the Sec-
 23 retary shall collaborate with—

24 (i) the Director of the Agency for
 25 Healthcare Research and Quality; and

1 (ii) other appropriate entities, includ-
2 ing—

3 (I) a national organization that
4 exists for the purpose of achieving
5 consensus among health care pro-
6 viders, payers, and consumers on rec-
7 ommendations of measures of quality;
8 and

9 (II) health professional certifi-
10 cation boards.

11 (B) CONSULTATION.—In developing and
12 disseminating such quality measures, the Sec-
13 retary shall consult with—

14 (i) health professionals; and

15 (ii) consumer groups.

16 (3) APPROPRIATION.—There are appropriated
17 \$50,000,000 to the Agency for Healthcare Research
18 and Quality for each of fiscal years 2009, 2010, and
19 2011, to carry out this subsection.

20 (b) COLLECTION AND REPORTING OF STATE
21 DATA.—

22 (1) IN GENERAL.—The Secretary shall collect
23 data regarding the extent to which States use pedi-
24 atric and perinatal inpatient and outpatient quality
25 measures on an ongoing basis.

1 (2) REPORT.—The Secretary shall report to
2 Congress and make publicly available the data col-
3 lected under paragraph (1) on an annual basis.

4 (c) REQUIREMENT UNDER STATE PLAN.—

5 (1) MEDICAID.—Section 1902(a) of the Social
6 Security Act (42 U.S.C. 1396a) is amended—

7 (A) in paragraph (69), by striking “and”;

8 (B) in paragraph (70), by striking the pe-
9 riod at the end and inserting “; and”; and

10 (C) by inserting after paragraph (70) the
11 following new paragraph:

12 “(71) provide that the State shall cooperate
13 with the Secretary in the collection of data under
14 section 9(b)(1) of the Prevent Prematurity and Im-
15 prove Child Health Act of 2007.”.

16 (2) SCHIP.—Section 2107(e)(1) of the Social
17 Security Act (42 U.S.C. 1397gg(e)(1)) is amended
18 by adding at the end the following new subpara-
19 graph:

20 “(E) Section 1902(a)(71) (relating to col-
21 lection of data).”.

22 (d) PAYMENTS TO STATES FOR IMPLEMENTATION OF
23 QUALITY MEASURES.—

1 (1) MEDICAID.—Section 1903(a)(3) of the So-
2 cial Security Act (42 U.S.C. 1396b(a)(3)) is amend-
3 ed—

4 (A) in subparagraph (D), by striking
5 “and”;

6 (B) in subparagraph (E)(ii), by striking
7 “plus” and inserting “and”; and

8 (C) by adding at the end the following new
9 subparagraph:

10 “(F) an amount equal to the enhanced
11 FMAP (as defined in section 2105(b)) of the
12 sums expended during the quarter which are at-
13 tributable to the costs of complying with section
14 1902(a)(71); plus”.

15 (2) SCHIP.—Section 2105(a)(1)(D) of the So-
16 cial Security Act (42 U.S.C. 1397ee(a)(1)(D)) is
17 amended—

18 (A) in clause (iii), by striking “and”;

19 (B) by redesignating clause (iv) as clause
20 (v); and

21 (C) by inserting after clause (iii) the fol-
22 lowing new clause:

1 “(iv) for expenditures attributable to
2 the costs of complying with section
3 2107(e)(1)(E); and”.

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