

110TH CONGRESS  
1ST SESSION

# S. 895

To amend titles XIX and XXI of the Social Security Act to ensure that every child in the United States has access to affordable, quality health insurance coverage, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 15, 2007

Mrs. CLINTON 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 ensure that every child in the United States has access to affordable, quality health insurance coverage, 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; AMENDMENTS TO SOCIAL SECU-**  
4       **RITY ACT; TABLE OF CONTENTS.**

5       (a) SHORT TITLE.—This Act may be cited as the  
6       “Children’s Health First Act”.

7       (b) AMENDMENTS TO SOCIAL SECURITY ACT.—Ex-  
8       cept as otherwise specifically provided, whenever in this

1 Act an amendment is expressed in terms of an amendment  
 2 to or repeal of a section or other provision, the reference  
 3 shall be considered to be made to that section or other  
 4 provision of the Social Security Act.

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

Sec. 1. Short title; amendments to Social Security Act; table of contents.

TITLE I—OPTIONS FOR AFFORDABLE COVERAGE FOR ALL  
CHILDREN

Subtitle A—Expanded Coverage of Children Under SCHIP and Through  
Employer-Sponsored Coverage

- Sec. 101. State option to expand coverage of children under SCHIP.  
 Sec. 102. Authority for States to offer purchase of coverage for uncovered children under SCHIP.  
 Sec. 103. Support for employment-based coverage of children eligible for SCHIP or Medicaid.  
 Sec. 104. Modification of prohibition on coverage of children of State employees.

Subtitle B—Ensuring Dependable Coverage for All Children

- Sec. 111. Improving benchmark coverage options.  
 Sec. 112. Requiring coverage of EPSDT services, including dental services, and federally-qualified health services and improving coverage of additional categories of services.  
 Sec. 113. Clarification of requirement to provide EPSDT services for all children in benchmark benefit packages under Medicaid.  
 Sec. 114. Medicaid-SCHIP Payment Advisory Commission.

Subtitle C—Ensuring a Fair Partnership

- Sec. 121. Increase in FMAP for medical assistance for children for States that expand coverage of children.

Subtitle D—State Options for Additional Coverage Expansions

- Sec. 131. Optional coverage of older children under Medicaid and SCHIP.  
 Sec. 132. Optional coverage of legal immigrants under the Medicaid program and SCHIP.  
 Sec. 133. State option to expand or add coverage of certain pregnant women under SCHIP.

TITLE II—REMOVAL OF OTHER BARRIERS TO COVERAGE

- Sec. 201. Establishment of new base SCHIP allotments that are responsive to increases in health care costs and enrollment expansions.  
 Sec. 202. 2-year initial availability of SCHIP allotments.  
 Sec. 203. Redistribution of unused allotments to address State funding shortfalls.

- Sec. 204. Incentives for school-based outreach and enrollment.  
 Sec. 205. Medicaid citizenship documentation requirements.  
 Sec. 206. 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. 207. Information technology connections to improve health coverage determinations.  
 Sec. 208. Encouraging culturally appropriate enrollment practices.  
 Sec. 209. Model of Interstate coordinated enrollment and coverage process.  
 Sec. 210. Elimination of counting medicaid child presumptive eligibility costs against title XXI allotment.  
 Sec. 211. Authority for qualifying States to use portion of SCHIP allotment for any fiscal year for certain medicaid expenditures.  
 Sec. 212. Application of Medicaid outreach procedures to all pregnant women and children.

#### TITLE III—EFFECTIVE DATE

- Sec. 301. Effective date.

## 1 **TITLE I—OPTIONS FOR AFFORD-** 2 **ABLE COVERAGE FOR ALL** 3 **CHILDREN**

### 4 **Subtitle A—Expanded Coverage of** 5 **Children Under SCHIP and** 6 **Through Employer-Sponsored** 7 **Coverage**

#### 8 **SEC. 101. STATE OPTION TO EXPAND COVERAGE OF CHIL-** 9 **DREN UNDER SCHIP.**

10 (a) OPTION FOR COVERAGE OF CHILDREN UP TO 400  
 11 PERCENT OF POVERTY LINE.—Section 2110(c)(4) (42  
 12 U.S.C. 1397jj(c)(4)) is amended by inserting “(or, at the  
 13 option of the State, any percentage up to 400 percent)”  
 14 after “200 percent”.

15 (b) ENSURING FUNDING FOR STATE ELIGIBILITY  
 16 EXPANSION.—

1           (1) IN GENERAL.—Section 2105 (42 U.S.C.  
2           1397dd) is amended by adding at the end the fol-  
3           lowing new subsection:

4           “(i) FUNDING FOR CHILD HEALTH ASSISTANCE FOR  
5 COVERAGE EXPANSION STATES.—

6           “(1) IN GENERAL.—Notwithstanding section  
7           2104, in the case of a State that has elected the op-  
8           tion under section 2110(c)(4) to apply for a calendar  
9           quarter in a fiscal year a percentage that is 400 per-  
10          cent and that meets the requirement of paragraph  
11          (2) (relating to no limitation on enrollment), the al-  
12          lotment determined for the State for such fiscal year  
13          under section 2104 shall be increased by such sums  
14          as are necessary for making payments to the State  
15          for expenditures described in subsection (a)(1).

16          “(2) NO LIMITATION ON ENROLLMENT.—The  
17          requirement of this paragraph with respect to a  
18          State for a calendar quarter is that the State does  
19          not impose, with respect to the enrollment under the  
20          State child health plan of targeted low-income chil-  
21          dren during the quarter, any enrollment cap or other  
22          numerical limitation on enrollment, any waiting list,  
23          any procedures designed to delay the consideration  
24          of applications for enrollment, or similar limitation  
25          with respect to enrollment.

1           “(3) APPROPRIATION.—There is appropriated,  
 2           out of any money in the Treasury not otherwise ap-  
 3           propriated, such sums as may be necessary for the  
 4           purpose of paying a State described in paragraph  
 5           (1) for each calendar quarter described in such para-  
 6           graph, an amount equal to the enhanced FMAP of  
 7           expenditures described in such paragraph and in-  
 8           curred during such quarter.”.

9           (2) CONFORMING AMENDMENTS.—Section 2104  
 10          (42 U.S.C. 1397dd) is amended—

11                   (A) in subsection (a), by striking “sub-  
 12                   section (d)” and inserting “ subsections (d) and  
 13                   (h) and section 2105(i)”;

14                   (B) in subsection (b)(1), by striking “sub-  
 15                   section (d)” and inserting “ subsections (d) and  
 16                   (h) and section 2105(i)”;

17                   (C) in subsection (c)(1), by striking “sub-  
 18                   section (d)” and inserting “ subsections (d) and  
 19                   (h) and section 2105(i)”.

20 **SEC. 102. AUTHORITY FOR STATES TO OFFER PURCHASE**  
 21                   **OF COVERAGE FOR UNCOVERED CHILDREN**  
 22                   **UNDER SCHIP.**

23           (a) IN GENERAL.—Title XXI (42 U.S.C. 1397aa et  
 24           seq.) is amended by adding at the end the following new  
 25           section:

1 **“SEC. 2111. AUTHORITY FOR STATES TO OFFER PURCHASE**  
2 **OF COVERAGE FOR UNCOVERED CHILDREN**  
3 **WHO ARE NOT OTHERWISE ELIGIBLE FOR AS-**  
4 **SISTANCE UNDER SCHIP OR MEDICAID.**

5 “(a) AUTHORITY TO OFFER PURCHASE OF COV-  
6 ERAGE.—

7 “(1) OPTION FOR STATES WITH INCOME ELIGI-  
8 BILITY LEVEL OF AT LEAST 200, BUT NOT 400, PER-  
9 CENT.—Subject to the succeeding provisions of this  
10 section, in the case of a State that meets the re-  
11 quirement of section 2105(i)(2) for a calendar quar-  
12 ter and that has elected to apply an income eligi-  
13 bility level under section 2110(c)(4) that is at least  
14 200 percent, but not 400 percent, of the poverty line  
15 for the calendar quarter, the State may permit dur-  
16 ing the calendar quarter the purchase of coverage  
17 under this title by families, employers, or others  
18 (under the same terms of the plan that apply to tar-  
19 geted low-income children) for an uncovered child  
20 who would be eligible to be a targeted low-income  
21 child but whose family income exceeds such level.

22 “(2) REQUIREMENT FOR STATES WITH 400 PER-  
23 CENT INCOME ELIGIBILITY LEVEL.—In the case of a  
24 State that meets the requirement of section  
25 2105(i)(2) for a calendar quarter and that has elect-  
26 ed to apply an income eligibility level under section

1       2110(e)(4) that is 400 percent of the poverty line  
2       for the calendar quarter, the State shall permit dur-  
3       ing the quarter the purchase of coverage described  
4       in paragraph (1).

5       “(b) COMMUNITY-RATED, ACTUARIALLY BASED  
6 PREMIUM.—The premium imposed for coverage of a child  
7 pursuant to subsection (a) shall not exceed a community-  
8 rated premium that reflects the actuarial average cost of  
9 providing coverage under the State child health plan to  
10 enrollees who are children.

11       “(c) STATE OPTION REGARDING LIMITATION ON  
12 COST-SHARING.—

13               “(1) IN GENERAL.—In the case of children cov-  
14 ered under the plan by reason of purchasing such  
15 coverage pursuant to subsection (a), the State may  
16 elect in applying the limitation on cost-sharing de-  
17 scribed in section 2103(e)(3)(B) (including to chil-  
18 dren who are provided benefits in the manner de-  
19 scribed in section 2103(e)(4)) not to apply such limi-  
20 tation with respect to some or all of the premiums  
21 imposed for the purchase of such coverage.

22               “(2) RULE OF CONSTRUCTION.—Nothing in  
23 paragraph (1) shall be construed as prohibiting an  
24 employer from providing an employee with financial  
25 benefits to offset the cost of premiums and cost-

1 sharing imposed with respect to the purchase of cov-  
 2 erage of a child pursuant to subsection (a).

3 “(d) NO FEDERAL MATCHING PAYMENT AVAIL-  
 4 ABLE.—No payments shall be made under section 2105(a)  
 5 (other than under clauses (iii) and (iv) of paragraph  
 6 (1)(D)) with respect to child health assistance provided  
 7 under the State child health plan to children covered  
 8 under the plan by reason of purchasing such coverage pur-  
 9 suant to this section.”.

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 2110(b)(1)(B) (42 U.S.C.  
 12 1397jj(b)(1)(B)) is amended—

13 (A) in clause (i), by striking “or” at the  
 14 end;

15 (B) in clause (ii), in the matter before sub-  
 16 clause (I), by inserting “who” before “is”;

17 (C) in clause (ii)(III), by striking “and”  
 18 and inserting “or”; and

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

21 “(iii) who is a child with respect to whom  
 22 coverage is purchased under section 2111(a);  
 23 and”.

24 (2) Section 2103(e) (42 U.S.C. 1397cc) is  
 25 amended—

1 (A) in paragraph (3)(B), by striking “and  
 2 (2)” and inserting “, (2), and section 2111(d)”;  
 3 and

4 (B) in paragraph (4), by striking “Noth-  
 5 ing” and inserting “Subject to 2111(d)(2),  
 6 nothing”.

7 **SEC. 103. SUPPORT FOR EMPLOYMENT-BASED COVERAGE**  
 8 **OF CHILDREN ELIGIBLE FOR SCHIP OR MED-**  
 9 **ICAID.**

10 (a) SUBSIDIES FOR EMPLOYMENT-BASED COV-  
 11 ERAGE.—

12 (1) UNDER SCHIP.—Section 2105 (42 U.S.C.  
 13 1397ee) is amended—

14 (A) in subsection (a)(1)(D)—

15 (i) by striking “and” at the end of  
 16 clause (iii);

17 (ii) by redesignating clause (iv) as  
 18 clause (v); and

19 (iii) by inserting after clause (iii) the  
 20 following new clause:

21 “(iv) payments for employment-based  
 22 coverage under subsection (c)(2)(C); and”;

23 (B) in subsection (c)(2)(A), by inserting  
 24 “(other than under clause (iv) of such para-  
 25 graph)” after “of such subsection”; and

1 (C) in subsection (c)(2), by adding at the  
2 end the following new subparagraph:

3 “(C) SUBSIDIES FOR EMPLOYMENT-BASED  
4 COVERAGE.—

5 “(i) IN GENERAL.—In the case of a  
6 State that has elected the option under  
7 section 2110(c)(4) to apply for a calendar  
8 quarter a percentage that is 400 percent  
9 and that meets the requirement of sub-  
10 section (i)(2) for the calendar quarter, sub-  
11 ject to clause (ii), the limitation under sub-  
12 paragraph (A) on expenditures shall not  
13 apply to a payment for the provision of  
14 health benefits coverage during the cal-  
15 endar quarter under a group health plan  
16 for an employer premium assistance eligi-  
17 ble child (and to supplemental benefits de-  
18 scribed in subclause (II)) if the State dem-  
19 onstrates to the satisfaction of the Sec-  
20 retary that—

21 “(I) the actuarial value of the  
22 health benefits coverage (as deter-  
23 mined pursuant to section 2103(c)(4))  
24 is at least equal to the actuarial value  
25 of the child health assistance provided

1 under the State child health plan for  
2 children with the same (or com-  
3 parable) family income and the group  
4 health plan does not discriminate in  
5 its coverage of employer premium as-  
6 sistance eligible children on the basis  
7 of health status; and

8 “(II) the State will provide sup-  
9 plemental benefits for employer pre-  
10 mium assistance eligible children  
11 under the State child health plan in  
12 accordance with section 2110(b)(5) in  
13 order that such supplemental benefits,  
14 in combination with such coverage,  
15 provides the same benefits as would  
16 be available under the child health  
17 plan to the child if section  
18 2110(b)(1)(C) did not apply to the  
19 child.

20 “(ii) LIMITATION ON FEDERAL  
21 MATCHING PAYMENTS.—No payment shall  
22 be made under subsection (a) with respect  
23 to a payment described in clause (i) for  
24 coverage of a child insofar as the payment  
25 exceeds 50 percent of the amount of ex-

1           penditures that the State would have oth-  
2           erwise incurred for providing child health  
3           assistance for such child if the child were  
4           a targeted low-income child.

5           “(iii) EMPLOYER PREMIUM ASSIST-  
6           ANCE ELIGIBLE CHILD DEFINED.—For  
7           purposes of clause (i), the term ‘employer  
8           premium assistance eligible child’ means a  
9           child who is covered under a group health  
10          plan, who is not eligible for medical assist-  
11          ance under the State plan under title XIX,  
12          and who would satisfy the requirements for  
13          being a targeted low-income child under  
14          the State child health plan if the condition  
15          described in subparagraph (C) of section  
16          2110(b)(1) did not apply.”.

17          (2) REFERENCE TO EXISTING MEDICAID AU-  
18          THORITY.—For provisions relating to authority of  
19          State Medicaid plan to provide payment to employ-  
20          ers for enrollment of Medicaid-eligible children in a  
21          group health plan, and requiring the continued pro-  
22          vision of medical assistance to supplement coverage  
23          under such plan, see section 1906 of the Social Se-  
24          curity Act (42 U.S.C. 1396e).

1 (b) STATE PROVISION OF SUPPLEMENTAL SCHIP  
2 BENEFITS IN CASE OF CHILDREN COVERED UNDER  
3 GROUP HEALTH PLANS.—

4 (1) IN GENERAL.—Section 2110(b) (42 U.S.C.  
5 1397jj(b)) is amended—

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

9 (B) by adding at the end the following new  
10 paragraph:

11 “(5) STATE PROVISION OF SUPPLEMENTAL  
12 BENEFITS IN CASE OF CHILDREN COVERED UNDER  
13 GROUP HEALTH PLANS.—

14 “(A) REQUIREMENT FOR CHILDREN EN-  
15 ROLLED UNDER SUBSIDIZED EMPLOYMENT-  
16 BASED COVERAGE.—In the case of a State that  
17 provides payment under section 2105(c)(2)(C)  
18 for health benefits coverage for a child enrolled  
19 in a group health plan, the requirement of  
20 paragraph (1)(C) shall not apply to such child,  
21 but the child health assistance under this title  
22 shall be limited to—

23 “(i) benefits for items or services that  
24 are not covered, or are only partially cov-  
25 ered, under such plan; and

1           “(ii) protection against incurring out-  
2           of-pocket costs (including premiums) in ex-  
3           cess of the limitations otherwise applicable  
4           to a targeted low-income child with the  
5           same family income.

6           “(B) OPTION FOR OTHER CHILDREN.—  
7           For children not described in subparagraph (A),  
8           a State may waive the requirement of para-  
9           graph (1)(C), with respect to children within  
10          one or more classes or categories of children  
11          specified by the State, in the case of a child  
12          covered under a group health plan in order to  
13          provide child health assistance—

14                 “(i) for items or services that are not  
15                 covered, or are only partially covered,  
16                 under such plan; or

17                 “(ii) to protect against incurred out-  
18                 of-pocket costs (including premiums) ex-  
19                 ceeding the limitations otherwise applicable  
20                 to a targeted low-income child with the  
21                 same family income.

22           “(C) ELIGIBILITY.—In applying subpara-  
23           graph (B), a State may limit the application of  
24           the waiver under such subparagraph to children  
25           whose family income does not exceed a level

1 specified by the State, which may not exceed  
2 the maximum income level otherwise established  
3 for other children under the State child health  
4 plan.

5 “(D) CONTINUED APPLICATION OF DUTY  
6 TO PREVENT SUBSTITUTION OF EXISTING COV-  
7 ERAGE.—Nothing in this paragraph shall be  
8 construed as modifying the application of sec-  
9 tion 2102(b)(3)(C) to a State.”.

10 (2) APPLICATION OF ENHANCED MATCH UNDER  
11 MEDICAID.—Section 1905 (42 U.S.C. 1396d) is  
12 amended—

13 (A) in subsection (b), in the fourth sen-  
14 tence, by striking “subsection (u)(3)” and in-  
15 serting “(u)(3), or (u)(4)”; and

16 (B) in subsection (u), by redesignating  
17 paragraph (4) as paragraph (5) and by insert-  
18 ing after paragraph (3) the following new para-  
19 graph:

20 “(4) For purposes of subsection (b), the expenditures  
21 described in this paragraph are expenditures for items and  
22 services for children described in section 2110(b)(5).”.

23 (3) APPLICATION OF SECONDARY PAYOR PROVI-  
24 SIONS.—Section 2107(e)(1) (42 U.S.C.  
25 1397gg(e)(1)) is amended—

1 (A) by redesignating subparagraphs (B)  
 2 through (D) as subparagraphs (C) through (E),  
 3 respectively; and

4 (B) by inserting after subparagraph (A)  
 5 the following new subparagraph:

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

10 **SEC. 104. MODIFICATION OF PROHIBITION ON COVERAGE**  
 11 **OF CHILDREN OF STATE EMPLOYEES.**

12 Section 2110(b)(2)(B) (42 U.S.C. 1397jj(b)(2)) is  
 13 amended—

14 (1) by striking “is eligible” and inserting  
 15 “would be eligible”; and

16 (2) by inserting “(as in effect on March 1,  
 17 2007)” after “plan”.

18 **Subtitle B—Ensuring Dependable**  
 19 **Coverage for All Children**

20 **SEC. 111. IMPROVING BENCHMARK COVERAGE OPTIONS.**

21 (a) **LIMITATION ON USE OF SECRETARY-APPROVED**  
 22 **COVERAGE.**—Section 2103(a)(4) (42 U.S.C.  
 23 1397cc(a)(4)) is amended by striking the period at the end  
 24 and inserting “, but only if such determination was made  
 25 before March 1, 2007.”.

1 (b) REQUIREMENT FOR MOST POPULAR FAMILY  
 2 COVERAGE FOR STATE EMPLOYEE COVERAGE BENCH-  
 3 MARK.—Section 2103(b)(2) (42 U.S.C. 1397(b)(2)) is  
 4 amended—

5 (1) by striking “A health benefits coverage  
 6 plan” and inserting “The health benefits coverage  
 7 plan”; and

8 (2) by inserting “and that has been selected the  
 9 most, by employees seeking dependent coverage,  
 10 among such plans that provide such dependent cov-  
 11 erage, in either of the previous 2 plan years” before  
 12 the period.

13 **SEC. 112. REQUIRING COVERAGE OF EPSDT SERVICES, IN-**  
 14 **CLUDING DENTAL SERVICES, AND FEDER-**  
 15 **ALLY-QUALIFIED HEALTH SERVICES AND IM-**  
 16 **PROVING COVERAGE OF ADDITIONAL CAT-**  
 17 **EGORIES OF SERVICES.**

18 (a) ADDITIONAL REQUIRED SERVICES.—

19 (1) REQUIRED COVERAGE OF EPSDT SERVICES,  
 20 INCLUDING DENTAL SERVICES.—Section 2103(c)  
 21 (42 U.S.C. 1397cc(c)) is 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 the following:

4                   “(A) EPSDT SERVICES, INCLUDING DEN-  
5 TAL SERVICES.—Early and periodic screening,  
6 diagnostic, and treatment services described in  
7 subsections (a)(4)(B) and (r) of section 1905  
8 and provided in accordance with section  
9 1903(a)(43) (including dental services that are  
10 necessary to prevent disease and promote oral  
11 health, restore oral structures to health and  
12 function, and treat emergency conditions).”.

13           (2) REQUIRED COVERAGE OF FQHC AND RHC  
14 SERVICES.—Section 2103(c)(5) (42 U.S.C.  
15 1397cc(c)(5)) (as added by subsection (a)), is  
16 amended by adding at the end the following:

17                   “(B) FQHC AND RHC SERVICES.—Feder-  
18 ally-qualified health center services (as defined  
19 in section 1905(l)(2)) and rural health clinic  
20 services (as defined in section 1905(l)(1)).”.

21           (3) ASSURING ACCESS TO CARE.—

22                   (A) STATE CHILD HEALTH PLAN REQUIRE-  
23 MENT.—Section 2102(a)(7)(B) (42 U.S.C.  
24 1397bb(c)(2)) is amended by inserting “and

1 services described in section 2103(c)(5)” after  
2 “emergency services”.

3 (B) ANNUAL REPORT.—Section 2108(a)(1)  
4 (42 U.S.C. 1397hh(a)(1)) is amended—

5 (i) by striking “including the  
6 progress” and inserting “including—  
7 “(A) the progress”; and

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

10 “(B) the extent to which the operation of  
11 such plan ensures access, comparable to access  
12 under employer-sponsored or other private  
13 health insurance coverage (or in the case of fed-  
14 erally-qualified health center services (as de-  
15 fined in section 1905(l) (2)) and rural health  
16 clinic services (as defined in section 1905(l)(1)),  
17 access comparable to the access to such services  
18 under title XIX), for child health assistance to  
19 targeted low-income children consistent with the  
20 provisions of this title; and”.

21 (4) CONFORMING AMENDMENT.—Section  
22 2103(a) (42 U.S.C. 1397cc(a)) is amended, in the  
23 matter preceding paragraph (1), by striking “sub-  
24 section (c)(5)” and inserting “paragraphs (5) and  
25 (6) of subsection (c)”.

1 (b) 100 PERCENT ACTUARIAL VALUE FOR ADDI-  
 2 TIONAL SERVICES INCLUDED IN BENCHMARK PACK-  
 3 AGE.—Section 2103(a)(2)(C) (42 U.S.C.  
 4 1397cc(a)(2)(C)) is amended by striking “75 percent” and  
 5 inserting “100 percent”.

6 **SEC. 113. CLARIFICATION OF REQUIREMENT TO PROVIDE**  
 7 **EPSDT SERVICES FOR ALL CHILDREN IN**  
 8 **BENCHMARK BENEFIT PACKAGES UNDER**  
 9 **MEDICAID.**

10 (a) IN GENERAL.—Section 1937(a)(1), as inserted by  
 11 section 6044(a) of the Deficit Reduction Act of 2005, is  
 12 amended—

13 (1) in subparagraph (A)—

14 (A) in the matter before clause (i), by in-  
 15 serting “subject to subparagraph (E),” after  
 16 “Notwithstanding any other provision of this  
 17 title”; and

18 (B) by striking “enrollment in coverage  
 19 that provides” and all that follows and inserting  
 20 “benchmark coverage described in subsection  
 21 (b)(1) or benchmark equivalent coverage de-  
 22 scribed in subsection (b)(2).”;

23 (2) by striking subparagraph (C) and inserting  
 24 the following new subparagraph:

1           “(C) STATE OPTION TO PROVIDE ADDI-  
 2           TIONAL BENEFITS.—A State, at its option, may  
 3           provide such additional benefits to benchmark  
 4           coverage described in subsection (b)(1) or  
 5           benchmark equivalent coverage described in  
 6           subsection (b)(2) as the State may specify.”;  
 7           and

8           (3) by adding at the end the following new sub-  
 9           paragraph:

10           “(E) REQUIRING COVERAGE OF EPSDT  
 11           SERVICES.—Nothing in this paragraph shall be  
 12           construed as affecting a child’s entitlement to  
 13           care and services described in subsections  
 14           (a)(4)(B) and (r) of section 1905 and provided  
 15           in accordance with section 1903(a)(43) whether  
 16           provided through benchmark coverage, bench-  
 17           mark equivalent coverage, or otherwise.”.

18           (b) EFFECTIVE DATE.—The amendments made by  
 19           this subsection shall take effect as if included in the  
 20           amendment made by section 6044(a) of the Deficit Reduc-  
 21           tion Act of 2005.

22           **SEC. 114. MEDICAID-SCHIP PAYMENT ADVISORY COMMIS-**  
 23           **SION.**

24           Title XIX (42 U.S.C. 1396 et seq.) is amended by  
 25           inserting before section 1901 the following new section:

1 “MEDICAID-SCHIP PAYMENT ADVISORY COMMISSION

2 “SEC. 1900. (a) ESTABLISHMENT.—There is hereby  
3 established the Medicaid-SCHIP Payment Advisory Com-  
4 mission (in this section referred to as the ‘Commission’).

5 “(b) DUTIES.—

6 “(1) REVIEW OF PAYMENT POLICIES AND AN-  
7 NUAL REPORTS.—The Commission shall—

8 “(A) review payment policies of the Med-  
9 icaid program established under this title (in  
10 this section referred to as ‘Medicaid’) and the  
11 State Children’s Health Insurance Program es-  
12 tablished under title XXI (in this section re-  
13 ferred to as ‘SCHIP’), including topics de-  
14 scribed in paragraph (2);

15 “(B) make recommendations to Congress  
16 concerning such payment policies;

17 “(C) by not later than March 1 of each  
18 year, submit a report to Congress containing  
19 the results of such reviews and its recommenda-  
20 tions concerning such policies; and

21 “(D) by not later than June 1 of each  
22 year, submit a report to Congress containing an  
23 examination of issues affecting Medicaid and  
24 SCHIP, including the implications of changes  
25 in health care delivery in the United States and

1 in the market for health care services on such  
2 programs.

3 “(2) SPECIFIC TOPICS TO BE REVIEWED.—Spe-  
4 cifically, the Commission shall review the following:

5 “(A) The factors affecting expenditures for  
6 services in different sectors (such as physician,  
7 hospital and other sectors), payment methodolo-  
8 gies, and their relationship to access and qual-  
9 ity of care for Medicaid and SCHIP bene-  
10 ficiaries.

11 “(B) The affects of Medicaid and SCHIP  
12 payment policies on access to services for chil-  
13 dren and other Medicaid and SCHIP popu-  
14 lations.

15 “(3) COMMENTS ON CERTAIN SECRETARIAL RE-  
16 PORTS.—If the Secretary submits to Congress (or a  
17 committee of Congress) a report that is required by  
18 law and that relates to payment policies under Med-  
19 icaid or SCHIP, the Secretary shall transmit a copy  
20 of the report to the Commission. The Commission  
21 shall review the report and, not later than 6 months  
22 after the date of submittal of the Secretary’s report  
23 to Congress, shall submit to the appropriate commit-  
24 tees of Congress written comments on such report.

1 Such comments may include such recommendations  
2 as the Commission deems appropriate.

3 “(4) AGENDA AND ADDITIONAL REVIEWS.—The  
4 Commission shall consult periodically with the  
5 Chairmen and Ranking Minority Members of the ap-  
6 propriate committees of Congress regarding the  
7 Commission’s agenda and progress towards achiev-  
8 ing the agenda. The Commission may conduct addi-  
9 tional reviews, and submit additional reports to the  
10 appropriate committees of Congress, from time to  
11 time on such topics relating to the program under  
12 this title or title XXI as may be requested by such  
13 Chairmen and Members and as the Commission  
14 deems appropriate.

15 “(5) AVAILABILITY OF REPORTS.—The Com-  
16 mission shall transmit to the Secretary a copy of  
17 each report submitted under this subsection and  
18 shall make such reports available to the public.

19 “(6) APPROPRIATE COMMITTEE OF CON-  
20 GRESS.—For purposes of this section, the term ‘ap-  
21 propriate committees of Congress’ means the Com-  
22 mittees on Energy and Commerce of the House of  
23 Representatives and the Committee on Finance of  
24 the Senate.

1           “(7) VOTING AND REPORTING REQUIRE-  
2           MENTS.—With respect to each recommendation con-  
3           tained in a report submitted under paragraph (1),  
4           each member of the Commission shall vote on the  
5           recommendation, and the Commission shall include,  
6           by member, the results of that vote in the report  
7           containing the recommendation.

8           “(8) EXAMINATION OF BUDGET CON-  
9           SEQUENCES.—Before making any recommendations,  
10          the Commission shall examine the budget con-  
11          sequences of such recommendations, directly or  
12          through consultation with appropriate expert enti-  
13          ties.

14          “(c) APPLICATION OF PROVISIONS.—The following  
15          provisions of section 1805 shall apply to the Commission  
16          in the same manner as they apply to the Medicare Pay-  
17          ment Advisory Commission:

18                 “(1) Subsection (c) (relating to membership).

19                 “(2) Subsection (d) (relating to staff and con-  
20                 sultants).

21                 “(3) Subsection (e) (relating to powers).

22          “(d) AUTHORIZATION OF APPROPRIATIONS.—

23                 “(1) REQUEST FOR APPROPRIATIONS.—The  
24                 Commission shall submit requests for appropriations  
25                 in the same manner as the Comptroller General sub-

1 mits requests for appropriations, but amounts ap-  
 2 propriated for the Commission shall be separate  
 3 from amounts appropriated for the Comptroller Gen-  
 4 eral.

5 “(2) AUTHORIZATION.—There are authorized to  
 6 be appropriated such sums as may be necessary to  
 7 carry out the provisions of this section.”.

## 8 **Subtitle C—Ensuring a Fair** 9 **Partnership**

### 10 **SEC. 121. INCREASE IN FMAP FOR MEDICAL ASSISTANCE** 11 **FOR CHILDREN FOR STATES THAT EXPAND** 12 **COVERAGE OF CHILDREN.**

13 Section 1905 (42 U.S.C. 1396d) is amended—

14 (1) in subsection (b), in the first sentence—

15 (A) by striking “and (4)” and inserting  
 16 “(4)”; and

17 (B) by inserting “, and (5) in the case of  
 18 a State that is described in subsection (y)(1)  
 19 and section 2105(i)(1) for a calendar quarter,  
 20 notwithstanding the previous clauses of this  
 21 sentence, the Federal medical assistance per-  
 22 centage with respect to medical assistance pro-  
 23 vided to children shall be increased by the num-  
 24 ber of percentage points determined under sub-  
 25 section (y)(4)” before the period; and

1           (2) by adding at the end the following new sub-  
2           section:

3           “(y) DETERMINATION OF INCREASE IN FMAP FOR  
4 MEDICAL ASSISTANCE FOR CHILDREN FOR STATES THAT  
5 EXPAND COVERAGE OF CHILDREN.—

6           “(1) STATE DESCRIBED.—For purposes of  
7           clause (5) of the first sentence of subsection (b), a  
8           State described in this paragraph is a State that—

9                   “(A) meets the continuous eligibility re-  
10                  quirement of paragraph (2); and

11                   “(B) has implemented model outreach and  
12                  enrollment practices in accordance with at least  
13                  3 subparagraphs of paragraph (3) (relating to  
14                  coverage of children under this title and title  
15                  XXI).

16           “(2) CONTINUOUS ELIGIBILITY REQUIRE-  
17           MENT.—The requirement of this paragraph is that  
18           the State has elected the option of continuous eligi-  
19           bility for a full 12 months for children described in  
20           section 1902(e)(12) under this title, as well as ap-  
21           plying such policy under its State child health plan  
22           under title XXI.

23           “(3) MODEL OUTREACH AND ENROLLMENT  
24           PRACTICES.—

1           “(A) APPLICATION OUTREACH PROCESS.—  
2           The State makes available to parents and care-  
3           taker relatives of children, in English and other  
4           languages that shall be required by the Sec-  
5           retary to comply with title VI of the Civil  
6           Rights Act of 1964, information regarding ap-  
7           plying, and upon request, an application, for  
8           medical assistance for children under this title  
9           and for child health assistance under title XXI  
10          consistent with the following:

11                   “(i) POSTING OF AVAILABILITY OF IN-  
12                   FORMATION.—An announcement con-  
13                   cerning the availability of such information  
14                   and applications is posted in a conspicuous  
15                   manner at a location that is easily acces-  
16                   sible to the public—

17                           “(I) in each hospital in the State  
18                           that is a participating provider under  
19                           the State child health plan under title  
20                           XXI or under the State plan under  
21                           this title;

22                           “(II) in each public elementary  
23                           and secondary school in the State;  
24                           and

1                   “(III) in the facility of each pub-  
2                   lic health care provider in the State,  
3                   including federally-qualified health  
4                   centers and rural health centers, par-  
5                   ticipating under such State child  
6                   health plan or under this title.

7                   “(ii) YEAR-ROUND AVAILABILITY OF  
8                   APPLICATIONS.—Such applications are  
9                   made available in such locations on an on-  
10                  going basis.

11                  “(iii) ANNUAL ENROLLMENT CAM-  
12                  PAIGN IN SCHOOLS.—An outreach and en-  
13                  rollment campaign is conducted at least  
14                  annually in such public elementary and  
15                  secondary schools, during which informa-  
16                  tion concerning enrollment of children is  
17                  sent to the homes of children.

18                  “(iv) OUTSTATIONING OR TRAINING  
19                  OF STAFF FOR INITIAL PROCESSING.—Pro-  
20                  viding for the receipt and initial processing  
21                  of any such application at each facility  
22                  specified in section 1902(a)(55) and at  
23                  each school described in clause (i)(II) in  
24                  which not less than 30 percent of the stu-  
25                  dents are eligible for free or reduced lunch

1 under the Richard D. Russell National  
2 School Lunch Act, through—

3 “(I) the stationing at such facil-  
4 ity or school of State or local agency  
5 personnel to determine eligibility for  
6 such assistance; or

7 “(II) upon request of the facility  
8 or school, the training and certifi-  
9 cation of personnel of such facility or  
10 school (and access to necessary auto-  
11 mated data systems) to make such  
12 initial eligibility determinations.

13 “(B) ONE-STEP APPLICATION PROCESS.—

14 “(i) IN GENERAL.—The State pro-  
15 vides for either or both of the following:

16 “(I) The one-step enrollment  
17 process described in clause (ii).

18 “(II) The express lane process  
19 described in clause (iii).

20 “(ii) ONE-STEP APPLICATION PROC-  
21 ESS (SINGLE APPLICATION FOR MULTIPLE  
22 PUBLIC ASSISTANCE PROGRAMS).—The  
23 State treats an application for assistance  
24 for or on behalf of a child (who has not  
25 otherwise been determined eligible for as-

1           sistance under this title or title XXI)  
2           under any public assistance program ad-  
3           ministered by another Federal or State  
4           agency, including the agencies admin-  
5           istering the Food Stamp Act of 1977, the  
6           Richard B. Russell National School Lunch  
7           Act, and the Child Nutrition Act of 1966,  
8           notwithstanding any differences in budget  
9           unit, disregard, deeming, or other method-  
10          ology, as an application for medical assist-  
11          ance under this title for the child, or for  
12          child health assistance under title XXI, but  
13          only if—

14                   “(I) such agency has fiscal liabil-  
15                   ities under such program that are af-  
16                   fected or potentially affected by such  
17                   determinations; and

18                   “(II) any information furnished  
19                   by such agency pursuant to this  
20                   clause is kept confidential (except  
21                   from the applicant and the applicant’s  
22                   parent or caretaker relative) and is  
23                   used solely for purposes of deter-  
24                   mining eligibility for medical assist-

1                   ance under this title or for child  
2                   health assistance under title XXI.

3                   “(iii) EXPRESS LANE PROCESS (AC-  
4                   CEPTANCE OF INCOME-RELATED DETER-  
5                   MINATIONS FOR OTHER ASSISTANCE PRO-  
6                   GRAMS).—The State is implementing the  
7                   option provided under section 1902(e)(13)  
8                   under title XIX, as well as under this title  
9                   pursuant to section 2107(e)(1)(C).

10                  “(C) ADMINISTRATIVE VERIFICATION OF  
11                  INCOME.—The State permits a parent or care-  
12                  taker relative of a child applying for medical as-  
13                  sistance under this title or child health assist-  
14                  ance under title XXI to declare and certify by  
15                  signature under penalty of perjury information  
16                  relating to family income, assets, expenses, and  
17                  other financial information for purposes of de-  
18                  termining and redetermining financial eligibility  
19                  and not to routinely require an in-person inter-  
20                  view, except in cases justified by individual cir-  
21                  cumstances. Nothing in this subparagraph shall  
22                  be construed as preventing a State from taking  
23                  steps to verify information provided or to seek  
24                  further information and documentation from

1 applicants in individual cases in the case of dis-  
2 crepancies or where otherwise justified.

3 “(D) SIMPLIFIED, CONSISTENT APPLICA-  
4 TION FORM AND PROCESS.—The State uses an  
5 application form and process consistent with  
6 the following:

7 “(i) The application forms and mate-  
8 rials are in such languages in addition to  
9 English as shall be required by the Sec-  
10 retary to comply with title VI of the Civil  
11 Rights Act of 1964.

12 “(ii) The application form and supple-  
13 mental forms (if any) and information  
14 verification process is the same for pur-  
15 poses of establishing and renewing eligi-  
16 bility for children for medical assistance  
17 under this title and child health assistance  
18 under title XXI.

19 “(iii) The process does not require an  
20 application to be made in person or a face-  
21 to-face interview, unless there are discrep-  
22 ancies or individual circumstances justi-  
23 fying an in-person application or face-to-  
24 face interview.

1           “(E) USE OF ADMINISTRATIVE RE-  
2           NEWAL.—

3           “(i) IN GENERAL.—The State pro-  
4           vides, in the case of renewal of a child’s  
5           eligibility for medical assistance under this  
6           title or child health assistance under title  
7           XXI, that notice is provided to the parent  
8           or caretaker relative of the child that eligi-  
9           bility of the child will be renewed and con-  
10          tinued based on the information available  
11          to the State unless the State is provided  
12          other information.

13          “(ii) SATISFACTION THROUGH DEM-  
14          ONSTRATED USE OF EX PARTE PROCESS.—  
15          A State shall be treated as satisfying the  
16          requirement of clause (i) if renewal of eli-  
17          gibility of children under this title or title  
18          XXI is determined on an ex parte basis,  
19          without any requirement for an in-person  
20          interview, unless sufficient information is  
21          not in the State’s possession and cannot be  
22          acquired from other sources (including  
23          other State agencies) without the partici-  
24          pation of the applicant or the applicant’s  
25          parent or caretaker relative.

1           “(F) APPLICATION OF PRESUMPTIVE ELI-  
2           GIBILITY.—The State has implemented the op-  
3           tion, for purposes of both this title and title  
4           XXI, of applying presumptive eligibility provi-  
5           sions under sections 1920, 1920A, and  
6           2107(e)(1)(G).

7           “(4) DETERMINATION OF INCREASE.—

8           “(A) IN GENERAL.—For purposes of  
9           clause (5) of the first sentence of subsection  
10          (b), in the case of a State described in such  
11          clause, the number of percentage points deter-  
12          mined under this paragraph is equal to the  
13          product of the phase-in percentage for the State  
14          (specified under subparagraph (B)) multiplied  
15          by the number of percentage points by which  
16          the Federal medical assistance percentage de-  
17          termined for the State under subsection (b)  
18          (without regard to clause (5) of such sub-  
19          section) is less than the enhanced FMAP de-  
20          scribed in section 2105(b).

21          “(B) PHASE-IN PERCENTAGE.—For pur-  
22          poses of subparagraph (A), the phase-in per-  
23          centage specified in this subparagraph for a  
24          State for a fiscal year is equal to—

1                   “(i) the number of percentage points  
2                   by which—

3                   “(I) the income level established  
4                   by the State under the most recent  
5                   plan amendment of such State re-  
6                   ferred to in section 1905(b)(5), ex-  
7                   pressed in terms of a number of per-  
8                   centage points of the official poverty  
9                   line; exceeds

10                   “(II) the applicable income level  
11                   established by the State as of January  
12                   1, 2007, expressed in terms of a num-  
13                   ber of percentage points of the official  
14                   poverty line, in order to be a targeted  
15                   low-income child under the State plan  
16                   under title XXI; divided by

17                   “(ii) the number of percentage points  
18                   by which 400 exceeds the applicable in-  
19                   come level (expressed in percentage points)  
20                   described in clause (i)(II).

21                   “(5) INCREASE IN CAP ON PAYMENTS TO TER-  
22                   RITORIES.—If Puerto Rico, the Virgin Islands,  
23                   Guam, the Northern Mariana Islands, or American  
24                   Samoa qualify for an increase under subsection  
25                   (b)(5) for a calendar quarter for a fiscal year, the

1 additional Federal financial participation under this  
2 title that results from enrollment of additional chil-  
3 dren under this title for such fiscal year because of  
4 the exercise of such option shall not be counted to-  
5 wards the limitation on expenditures under this title  
6 for such commonwealth or territory otherwise deter-  
7 mined under subsections (f) and (g) of section 1108.

8 “(6) SCOPE OF APPLICATION.—The increase in  
9 the Federal medical assistance percentage under  
10 subsection (b)(5) shall only apply for purposes of  
11 payments under section 1903 with respect to med-  
12 ical assistance provided to children and shall not  
13 apply with respect to—

14 “(A) disproportionate share hospital pay-  
15 ments described in section 1923;

16 “(B) payments under title IV or XXI; or

17 “(C) any payments under this title that  
18 are based on the enhanced FMAP described in  
19 section 2105(b).

20 “(7) RULE OF CONSTRUCTION.—Nothing in  
21 this subsection shall be construed as preventing a  
22 State from implementing any of the model outreach  
23 and enrollment practices described in paragraph (3),  
24 notwithstanding that the State may not qualify for

1 an increase in the Federal medical assistance per-  
 2 centage under subsection (b)(5).”.

3 **Subtitle D—State Options for**  
 4 **Additional Coverage Expansions**

5 **SEC. 131. OPTIONAL COVERAGE OF OLDER CHILDREN**  
 6 **UNDER MEDICAID AND SCHIP.**

7 (a) MEDICAID.—

8 (1) IN GENERAL.—Section 1902(l)(1)(D) (42  
 9 U.S.C. 1396a(l)(1)(D)) is amended by inserting  
 10 “(or, at the election of a State, 20, 21, 22, 23, 24,  
 11 or 25 years of age)” after “19 years of age”.

12 (2) CONFORMING AMENDMENTS.—

13 (A) Section 1902(e)(3)(A) (42 U.S.C.  
 14 1396a(e)(3)(A)) is amended by inserting “(or 1  
 15 year less than the age the State has elected  
 16 under subsection (l)(1)(D))” after “18 years of  
 17 age”.

18 (B) Section 1902(e)(12) (42 U.S.C.  
 19 1396a(e)(12)) is amended by inserting “or such  
 20 higher age as the State has elected under sub-  
 21 section (l)(1)(D)” after “19 years of age”.

22 (C) Section 1920A(b)(1) (42 U.S.C.  
 23 1396r–1a(b)(1)) is amended by inserting “or  
 24 such higher age as the State has elected under  
 25 section 1902(l)(1)(D)” after “19 years of age”.



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) (42 U.S.C.  
20 1397gg(e)(1)), as amended by section 103(b)(3), 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)(A)(ii) (relating to  
25 optional coverage of categories of lawfully resid-

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

4 **SEC. 133. STATE OPTION TO EXPAND OR ADD COVERAGE**  
 5                   **OF CERTAIN PREGNANT WOMEN UNDER**  
 6                   **SCHIP.**

7           (a) SCHIP.—

8                   (1) COVERAGE.—Title XXI (42 U.S.C. 1397aa  
 9           et seq.), as amended by section 102, is amended by  
 10          adding at the end the following new section:

11 **“SEC. 2112. OPTIONAL COVERAGE OF TARGETED LOW-IN-**  
 12                   **COME PREGNANT WOMEN.**

13          “(a) OPTIONAL COVERAGE.—Notwithstanding any  
 14 other provision of this title, a State may provide for cov-  
 15 erage, through an amendment to its State child health  
 16 plan under section 2102, of pregnancy-related assistance  
 17 for targeted low-income pregnant women in accordance  
 18 with this section, but only if—

19                   “(1) the State has established an income eligi-  
 20          bility level—

21                           “(A) for pregnant women under subsection  
 22                   (a)(10)(A)(i)(III) or (l)(2)(A) of section 1902  
 23                   that is at least 185 percent of the poverty line;  
 24                   and

1           “(B) for children under this title that is at  
2           least 200 percent of the poverty line; and

3           “(2) the State meets the requirement of section  
4           2105(i)(2) (relating to no waiting list for children).

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

6           “(1) PREGNANCY-RELATED ASSISTANCE.—The  
7           term ‘pregnancy-related assistance’ has the meaning  
8           given the term child health assistance in section  
9           2110(a) as if any reference to targeted low-income  
10          children were a reference to targeted low-income  
11          pregnant women.

12          “(2) TARGETED LOW-INCOME PREGNANT  
13          WOMAN.—The term ‘targeted low-income pregnant  
14          woman’ means a woman—

15                 “(A) during pregnancy and through the  
16                 end of the month in which the 60-day period  
17                 (beginning on the last day of her pregnancy)  
18                 ends;

19                 “(B) whose family income exceeds 185 per-  
20                 cent of the poverty level applicable to a family  
21                 of the size involved, but does not exceed the in-  
22                 come eligibility level established under the State  
23                 child health plan under this title for a targeted  
24                 low-income child; and

1           “(C) who satisfies the requirements of  
2           paragraphs (1)(A), (1)(C), (2), and (3) of sec-  
3           tion 2110(b).

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

9           “(1) Any reference in this title (other than in  
10          subsection (b)) to a targeted low-income child is  
11          deemed to include a reference to a targeted low-in-  
12          come pregnant woman.

13          “(2) Any such reference to child health assist-  
14          ance with respect to such women is deemed a ref-  
15          erence to pregnancy-related assistance.

16          “(3) Any such reference to a child is deemed a  
17          reference to a woman during pregnancy and the pe-  
18          riod described in subsection (b)(2)(A).

19          “(4) In applying section 2102(b)(3)(B), any  
20          reference to children found through screening to be  
21          eligible for medical assistance under the State med-  
22          icaid plan under title XIX is deemed a reference to  
23          pregnant women.

24          “(5) There shall be no exclusion of benefits for  
25          services described in subsection (b)(1) based on any

1 preexisting condition and no waiting period (includ-  
2 ing any waiting period imposed to carry out section  
3 2102(b)(3)(C)) shall apply.

4 “(6) In applying section 2103(e)(3)(B) in the  
5 case of a pregnant woman provided coverage under  
6 this section, the limitation on total annual aggregate  
7 cost-sharing shall be applied to such pregnant  
8 woman.

9 “(7) In applying section 2104(i)—

10 “(A) in the case of State which did not  
11 provide for coverage for pregnant women under  
12 this title (under a waiver or otherwise) during  
13 fiscal year 2007, the allotment amount other-  
14 wise computed for the first fiscal year in which  
15 the State elects to provide coverage under this  
16 section shall be increased by an amount (deter-  
17 mined by the Secretary) equal to the enhanced  
18 FMAP of the expenditures under this title for  
19 such coverage, based upon projected enrollment  
20 and per capita costs of such enrollment; and

21 “(B) in the case of a State which provided  
22 for coverage of pregnant women under this title  
23 for the previous fiscal year—

24 “(i) in applying paragraph (1)(B)(ii)  
25 of such section, there shall also be taken

1                   into account (in an appropriate proportion)  
2                   the percentage increase in births in the  
3                   United States for the relevant period; and  
4                   “(ii) in applying paragraph (1)(C),  
5                   pregnant women (and per capita expendi-  
6                   tures for such women) shall be accounted  
7                   for separately from children, but shall be  
8                   included in the total amount of any allot-  
9                   ment adjustment under such paragraph.

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

1 mother shall also serve as the identification number of the  
 2 child, and all claims shall be submitted and paid under  
 3 such number (unless the State issues a separate identifica-  
 4 tion number for the child before such period expires).”.

5 (2) NO COST-SHARING FOR PREGNANCY-RE-  
 6 LATED BENEFITS.—Section 2103(e)(2) (42 U.S.C.  
 7 1397cc(e)(2)) is amended—

8 (A) in the heading, by inserting “or preg-  
 9 nancy-related services” after “preventive serv-  
 10 ices”; and

11 (B) by inserting before the period at the  
 12 end the following: “or for pregnancy-related  
 13 services”.

14 (3) ADDITIONAL AMENDMENT.—Section  
 15 2107(e)(1)(G) (42 U.S.C. 1397gg(e)(1)(G)), as re-  
 16 designated by sections 103(b), 132(b), and 207, is  
 17 amended to read as follows:

18 “(G) Sections 1920 and 1920A (relating to  
 19 presumptive eligibility for pregnant women and  
 20 children).”.

21 (b) AMENDMENTS TO MEDICAID.—

22 (1) ELIGIBILITY OF A NEWBORN.—Section  
 23 1902(e)(4) (42 U.S.C. 1396a(e)(4)) is amended in  
 24 the first sentence by striking “so long as the child  
 25 is a member of the woman’s household and the

1 woman remains (or would remain if pregnant) eligi-  
2 ble for such assistance”.

3 (2) APPLICATION OF QUALIFIED ENTITIES TO  
4 PRESUMPTIVE ELIGIBILITY FOR PREGNANT WOMEN  
5 UNDER MEDICAID.—Section 1920(b) (42 U.S.C.  
6 1396r–1(b)) is amended by adding after paragraph  
7 (2) the following flush sentence:

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

## 10 **TITLE II—REMOVAL OF OTHER** 11 **BARRIERS TO COVERAGE**

### 12 **SEC. 201. ESTABLISHMENT OF NEW BASE SCHIP ALLOT-** 13 **MENTS THAT ARE RESPONSIVE TO IN-** 14 **CREASES IN HEALTH CARE COSTS AND EN-** 15 **ROLLMENT EXPANSIONS.**

16 Section 2104 (42 U.S.C. 1397dd), as amended by  
17 section 101(b), is amended—

18 (1) in subsection (a)—

19 (A) in paragraph (9), by striking “and” at  
20 the end;

21 (B) in paragraph (10), by striking the pe-  
22 riod at the end and inserting “; and”; and

23 (C) by adding at the end the following new  
24 paragraph:

1           “(11) for fiscal year 2008 and each succeeding  
2 fiscal year, the sum of the State allotments provided  
3 under subsection (i) for such fiscal year.”;

4           (2) in subsection (b)(1), by striking “and (h)”  
5 and inserting “(h), and (i)”; and

6           (3) in subsection (c)(1), by striking “and (h)”  
7 and inserting “(h), and (i)”.

8           (4) by adding at the end the following new sub-  
9 section:

10       “(i) ALLOTMENTS FOR STATES AND TERRITORIES  
11 BEGINNING WITH FISCAL YEAR 2008.—

12           “(1) GENERAL ALLOTMENT COMPUTATION.—

13           “(A) IN GENERAL.—Subject to the suc-  
14 ceeding provisions of this subsection, the Sec-  
15 retary shall compute a State allotment for each  
16 State for each fiscal year as follows:

17           “(i) REBASING IN FISCAL YEAR 2008  
18           AND EACH SECOND SUCCEEDING FISCAL  
19           YEAR.—For fiscal year 2008 and each sec-  
20           ond succeeding fiscal year, the allotment of  
21           a State is equal to the Federal payments  
22           to the State that are attributable to (and  
23           countable towards) the allotment under  
24           this section for the State for the previous  
25           fiscal year multiplied by the allotment in-

1           crease factor under subparagraph (B) for  
2           the fiscal year involved.

3           “(ii) USING PROJECTIONS FOR FISCAL  
4           YEAR 2009 AND EACH SECOND SUCCEEDING  
5           FISCAL YEAR.—For fiscal year 2009 and  
6           each second succeeding fiscal year, the al-  
7           lotment of a State is equal to the amount  
8           of the State allotment under this subpara-  
9           graph for the previous fiscal year multi-  
10          plied by the allotment increase factor  
11          under subparagraph (B) for the fiscal year  
12          involved.

13          “(B) ALLOTMENT INCREASE FACTOR.—  
14          The allotment increase factor under this sub-  
15          paragraph for a fiscal year is equal to the prod-  
16          uct of the following:

17               “(i) PER CAPITA HEALTH CARE  
18               GROWTH FACTOR.—One plus the percent-  
19               age increase in the projected per capita  
20               amount of National Health Expenditures  
21               from the second previous fiscal year to the  
22               previous fiscal year, as most recently pub-  
23               lished by the Secretary before the begin-  
24               ning of the fiscal year involved.

1           “(ii) CHILD POPULATION GROWTH  
2 FACTOR.—One plus the percentage in-  
3 crease in the population of children under  
4 20 years of age in the State from July 1  
5 in such second previous fiscal year to July  
6 1 in the previous fiscal year, as determined  
7 by the Secretary based on the most recent  
8 published estimates of the Bureau of the  
9 Census before the beginning of the fiscal  
10 year involved.

11           “(C) OUTREACH ADJUSTMENT.—

12           “(i) IN GENERAL.—If a State’s ex-  
13 penditures under this title in a fiscal year  
14 (beginning with fiscal year 2008) exceeds  
15 the allotment provided under this section  
16 (determined without regard to any reallocot-  
17 ment it receives that is available for ex-  
18 penditure during such fiscal year) and if  
19 the average number of enrollees in the  
20 State under this title for such fiscal year  
21 exceeds its target number of enrollees for  
22 that year, for the subsequent fiscal year  
23 the allotment under this section for the  
24 State shall be increased by the amount by  
25 which—

1 “(I) the product of—

2 “(aa) such additional num-  
3 ber of enrollees; and

4 “(bb) the projected per cap-  
5 ita Federal expenditures under  
6 the State child health plan (as  
7 determined under clause (iii) for  
8 such subsequent fiscal year); re-  
9 duced by

10 “(II) the amount of any allot-  
11 ment redistributed to the State under  
12 this section for such subsequent fiscal  
13 year.

14 “(ii) TARGET NUMBER OF ENROLL-  
15 EES.—In this subsection, the target num-  
16 ber of enrollees for a State for a fiscal year  
17 is equal to the average number of enrollees  
18 enrolled in the State child health plan  
19 under this title during fiscal year 2007 in-  
20 creased (for each subsequent fiscal year  
21 through the fiscal year involved) by the  
22 population growth for children in that  
23 State for the year ending on June 30 be-  
24 fore the beginning of the fiscal year (as es-  
25 timated by the Bureau of the Census).

1           “(iii) PROJECTED PER CAPITA FED-  
2           ERAL EXPENDITURES.—For purposes of  
3           subparagraph (A)(i)(II), the projected per  
4           capita Federal expenditures under a State  
5           child health plan for a fiscal year is equal  
6           to the average per capita Federal expendi-  
7           tures under such plan for fiscal year 2007,  
8           increased (for each subsequent fiscal year  
9           up to and including the fiscal year in-  
10          volved) by the annual percentage increase  
11          in per capita amount of National Health  
12          Expenditures (as estimated by the Sec-  
13          retary) for the respective subsequent fiscal  
14          year.

15           “(iv)            AVAILABILITY.—Notwith-  
16          standing subsection (e), an increase in al-  
17          lotment under this paragraph shall only be  
18          available for expenditure during the fiscal  
19          year in which it is provided.

20           “(v) INTERACTION WITH OTHER PRO-  
21          VISIONS.—

22           “(I)    COVERAGE    EXPANSION  
23          STATES.—In the case of a State that  
24          has an increased allotment under sec-  
25          tion 2105(i)—

1                   “(aa) there shall be no in-  
2                   creased allotment under para-  
3                   graph (2); and

4                   “(bb) the allotment under  
5                   this subsection shall not be sub-  
6                   ject to reallocation or redistribu-  
7                   tion to other States.

8                   “(II) NO REALLOTMENT OF OUT-  
9                   REACH ADJUSTMENT.—In no case  
10                  shall any increase in allotment under  
11                  paragraph (2) for a State be subject  
12                  to reallocation or redistribution to  
13                  other States.”.

14 **SEC. 202. 2-YEAR INITIAL AVAILABILITY OF SCHIP ALLOT-**  
15 **MENTS.**

16                  Section 2104(e) (42 U.S.C. 1397dd(e)) is amended  
17 to read as follows:

18                  “(e) AVAILABILITY OF AMOUNTS ALLOTTED.—

19                         “(1) IN GENERAL.—Except as provided in para-  
20                         graph (2), amounts allotted to a State pursuant to  
21                         this section—

22                                 “(A) for each of fiscal years 1998 through  
23                                 2007, shall remain available for expenditure by  
24                                 the State through the end of the second suc-  
25                                 ceeding fiscal year; and

1           “(B) for fiscal year 2008 and each fiscal  
2           year thereafter, shall remain available for ex-  
3           penditure by the State through the end of the  
4           succeeding fiscal year.

5           “(2) AVAILABILITY OF AMOUNTS REALLOT-  
6           TED.—Amounts reallocated to a State under sub-  
7           section (f) shall be available for expenditure by the  
8           State through the end of the fiscal year in which  
9           they are reallocated.”.

10 **SEC. 203. REDISTRIBUTION OF UNUSED ALLOTMENTS TO**  
11 **ADDRESS STATE FUNDING SHORTFALLS.**

12           Section 2104(f) (42 U.S.C. 1397dd(f)) is amended—

13           (1) by striking “The Secretary” and inserting  
14           the following:

15           “(1) IN GENERAL.—The Secretary”;

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

23           (3) by adding at the end the following new  
24           paragraph:

25           “(2) SHORTFALL STATES DESCRIBED.—

1           “(A) IN GENERAL.—For purposes of para-  
2 graph (1), with respect to a fiscal year, a short-  
3 fall State described in this subparagraph is a  
4 State with a State child health plan approved  
5 under this title for which the Secretary esti-  
6 mates on the basis of the most recent data  
7 available to the Secretary, that the projected ex-  
8 penditures under such plan for the State for the  
9 fiscal year will exceed the sum of—

10           “(i) the amount of the State’s allot-  
11 ments for any preceding fiscal years that  
12 remain available for expenditure and that  
13 will not be expended by the end of the im-  
14 mediately preceding fiscal year; and

15           “(ii) the amount of the State’s allot-  
16 ment for the fiscal year.

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

24           “(C) RETROSPECTIVE ADJUSTMENT.—The  
25 Secretary may adjust the estimates and deter-

1 minations made under paragraph (1) and this  
 2 paragraph with respect to a fiscal year as nec-  
 3 essary on the basis of the amounts reported by  
 4 States not later than November 30 of the suc-  
 5 ceeding fiscal year, as approved by the Sec-  
 6 retary.”.

7 **SEC. 204. INCENTIVES FOR SCHOOL-BASED OUTREACH AND**  
 8 **ENROLLMENT.**

9 Section 2105(a) (42 U.S.C. 1397ee(a)) is amended  
 10 by adding at the end the following new paragraph:

11 “(3) SPECIAL RULE FOR SCHOOL-BASED OUT-  
 12 REACH AND ENROLLMENT ACTIVITIES.—With re-  
 13 spect to expenditures in a quarter for school-based  
 14 outreach and enrollment activities—

15 “(A) the ‘enhanced FMAP’ for purposes of  
 16 paragraph (1) is equal to 90 percent; and

17 “(B) the limitation under subsection  
 18 (c)(2)(A) shall not apply to such expendi-  
 19 tures.”.

20 **SEC. 205. MEDICAID CITIZENSHIP DOCUMENTATION RE-**  
 21 **QUIREMENTS.**

22 (a) STATE OPTION TO REQUIRE CERTAIN INDIVID-  
 23 UALS TO PRESENT SATISFACTORY DOCUMENTARY EVI-  
 24 DENCE OF PROOF OF CITIZENSHIP OR NATIONALITY FOR  
 25 PURPOSES OF ELIGIBILITY FOR MEDICAID.—

1           (1) IN GENERAL.—Section 1902(a)(46) (42  
2 U.S.C. 1396a(a)(46)) is amended—

3           (A) by inserting “(A)” after “(46)”;

4           (B) by adding “and” after the semicolon;

5           and

6           (C) by adding at the end the following new  
7 subparagraph:

8           “(B) at the option of the State and subject to  
9 section 1903(x), require that, with respect to an in-  
10 dividual (other than an individual described in sec-  
11 tion 1903(x)(1)) who declares to be a citizen or na-  
12 tional of the United States for purposes of estab-  
13 lishing initial eligibility for medical assistance under  
14 this title (or, at State option, for purposes of renew-  
15 ing or redetermining such eligibility to the extent  
16 that such satisfactory documentary evidence of citi-  
17 zenship or nationality has not yet been presented),  
18 there is presented satisfactory documentary evidence  
19 of citizenship or nationality of the individual (using  
20 criteria determined by the State, which shall be no  
21 more restrictive than the criteria used by the Social  
22 Security Administration to determine citizenship,  
23 and which shall accept as such evidence a document  
24 issued by a federally-recognized Indian tribe evidenc-  
25 ing membership or enrollment in, or affiliation with,

1 such tribe (such as a tribal enrollment card or cer-  
2 tificate of degree of Indian blood, and, with respect  
3 to those federally-recognized Indian tribes located  
4 within States having an international border whose  
5 membership includes individuals who are not citizens  
6 of the United States, such other forms of docu-  
7 mentation (including tribal documentation, if appro-  
8 priate) that the Secretary, after consulting with such  
9 tribes, determines to be satisfactory documentary  
10 evidence of citizenship or nationality for purposes of  
11 satisfying the requirement of this subparagraph));”.

12 (2) LIMITATION ON WAIVER AUTHORITY.—Not-  
13 withstanding any provision of section 1115 of the  
14 Social Security Act (42 U.S.C. 1315), or any other  
15 provision of law, the Secretary of Health and  
16 Human Services may not waive the requirements of  
17 section 1902(a)(46)(B) of such Act (42 U.S.C.  
18 1396a(a)(46)(B)) with respect to a State.

19 (3) CONFORMING AMENDMENTS.—Section 1903  
20 (42 U.S.C. 1396b) is amended—

21 (A) in subsection (i)—

22 (i) in paragraph (20), by adding “or”  
23 after the semicolon;

24 (ii) in paragraph (21), by striking “;  
25 or” and inserting a period; and

1 (iii) by striking paragraph (22); and  
2 (B) in subsection (x) (as amended by sec-  
3 tion 405(c)(1)(A) of division B of the Tax Re-  
4 lief and Health Care Act of 2006 (Public Law  
5 109–432))—

6 (i) by striking paragraphs (1) and (3);

7 (ii) by redesignating paragraph (2) as  
8 paragraph (1);

9 (iii) in paragraph (1), as so redesign-  
10 nated, by striking “paragraph (1)” and in-  
11 sserting “section 1902(a)(46)(B)”; and

12 (iv) by adding at the end the following  
13 new paragraph:

14 “(2) In the case of an individual declaring to be a  
15 citizen or national of the United States with respect to  
16 whom a State requires the presentation of satisfactory  
17 documentary evidence of citizenship or nationality under  
18 section 1902(a)(46)(B), the individual shall be provided  
19 at least the reasonable opportunity to present satisfactory  
20 documentary evidence of citizenship or nationality under  
21 this subsection as is provided under clauses (i) and (ii)  
22 of section 1137(d)(4)(A) to an individual for the submittal  
23 to the State of evidence indicating a satisfactory immigra-  
24 tion status.”.

1 (b) CLARIFICATION OF RULES FOR CHILDREN BORN  
2 IN THE UNITED STATES TO MOTHERS ELIGIBLE FOR  
3 MEDICAID.—Section 1903(x) (42 U.S.C. 1396b(x)), as  
4 amended by subsection (a)(3)(B), is amended—

5 (1) in paragraph (1)—

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

8 (B) by redesignating subparagraph (D) as  
9 subparagraph (E); and

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

12 “(D) pursuant to the application of section  
13 1902(e)(4) (and, in the case of an individual who is  
14 eligible for medical assistance on such basis, the in-  
15 dividual shall be deemed to have provided satisfac-  
16 tory documentary evidence of citizenship or nation-  
17 ality and shall not be required to provide further  
18 documentary evidence on any date that occurs dur-  
19 ing or after the period in which the individual is eli-  
20 gible for medical assistance on such basis); or”; and

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

23 “(3) Nothing in subparagraph (A) or (B) of section  
24 1902(a)(46), the preceding paragraphs of this subsection,  
25 or the Deficit Reduction Act of 2005, including section

1 6036 of such Act, shall be construed as changing the re-  
2 quirement of section 1902(e)(4) that a child born in the  
3 United States to an alien mother for whom medical assist-  
4 ance for the delivery of such child is available as treatment  
5 of an emergency medical condition pursuant to subsection  
6 (v) shall be deemed eligible for medical assistance during  
7 the first year of such child's life.”.

8 (c) EFFECTIVE DATE.—

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

13 (2) RESTORATION OF ELIGIBILITY.—In the  
14 case of an individual who, during the period that  
15 began on July 1, 2006, and ends on the date of en-  
16 actment of this Act, was determined to be ineligible  
17 for medical assistance under a State Medicaid pro-  
18 gram solely as a result of the application of sub-  
19 sections (i)(22) and (x) of section 1903 of the Social  
20 Security Act (as in effect during such period), but  
21 who would have been determined eligible for such as-  
22 sistance if such subsections, as amended by sub-  
23 sections (a) and (b), had applied to the individual,  
24 a State may deem the individual to be eligible for  
25 such assistance as of the date that the individual

1 was determined to be ineligible for such medical as-  
 2 sistance on such basis.

3 **SEC. 206. STATE OPTION TO PROVIDE FOR “EXPRESS LANE”**  
 4 **AND SIMPLIFIED DETERMINATIONS OF A**  
 5 **CHILD’S FINANCIAL ELIGIBILITY FOR MED-**  
 6 **ICAL ASSISTANCE UNDER MEDICAID OR**  
 7 **CHILD HEALTH ASSISTANCE UNDER SCHIP.**

8 (a) MEDICAID.—Section 1902(e) (42 U.S.C.  
 9 1396a(e)) is amended by adding at the end the following:  
 10 “(13)(A) At the option of the State, the plan may  
 11 provide that eligibility requirements (including such re-  
 12 quirements applicable to redeterminations or renewals of  
 13 eligibility) for medical assistance relating to income, assets  
 14 (or resources), or citizenship status are met for a child  
 15 who is under an age specified by the State (not to exceed  
 16 21 years of age) by using a determination made within  
 17 a reasonable period (as determined by the State) before  
 18 its use for this purpose, of the child’s family or household  
 19 income, or if applicable for purposes of determining eligi-  
 20 bility under this title or title XXI, assets or resources, or  
 21 citizenship status, respectively, (notwithstanding any other  
 22 provision of law, including sections 1902(a)(46)(B),  
 23 1903(x), and 1137(d)), by a Federal or State agency, or  
 24 a public or private entity making such determination on  
 25 behalf of such agency, specified by the plan, including an

1 agency administering the State program funded under  
2 part A of title IV, the Food Stamp Act of 1977, the Rich-  
3 ard B. Russell National School Lunch Act, or the Child  
4 Nutrition Act of 1966, notwithstanding any differences in  
5 budget unit, disregard, deeming, or other methodology,  
6 but only if—

7           “(i) the agency has fiscal liabilities or respon-  
8           sibilities affected by such determination; and

9           “(ii) the agency or entity notifies the child’s  
10          family—

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

13                  “(II) that the information disclosed will be  
14                  used solely for purposes of determining eligi-  
15                  bility for medical assistance under this title or  
16                  for child health assistance under title XXI; and

17                  “(III) that interagency agreements limit  
18                  the use of such information to that purpose;  
19                  and

20                  “(iii) the requirements of section 1939 are sat-  
21          isfied.

22          “(B) Nothing in this paragraph shall be construed  
23 to relieve a State of the obligation to determine, on an-  
24 other basis, eligibility for medical assistance under this  
25 title or for child health assistance under title XXI if a

1 child is determined ineligible for such assistance on the  
2 basis of information furnished pursuant to this paragraph.

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

9 “(i) The State may—

10 “(I) establish a threshold percentage of the  
11 Federal poverty level (that shall exceed the in-  
12 come eligibility level applicable for a population  
13 of individuals under this title by 30 percentage  
14 points (as a fraction of the Federal poverty  
15 level) or such other higher number of percent-  
16 age points as the State determines reflects the  
17 typical application of income methodologies by  
18 the non-health program and the State plan  
19 under this title); and

20 “(II) provide that, with respect to any in-  
21 dividual within such population whom a non-  
22 health agency determines has income that does  
23 not exceed such threshold percentage for such  
24 population, such individual is eligible for med-  
25 ical assistance under this title (regardless of

1           whether such individual would otherwise be de-  
2           termined to be eligible to receive such assist-  
3           ance).

4           In exercising the approach under this clause, a State  
5           shall inform families whose children are enrolled in  
6           a State child health plan under title XXI based on  
7           having family income above the threshold described  
8           in subclause (I) that they may qualify for medical  
9           assistance under this title and, at their option, can  
10          seek a regular eligibility determination for such as-  
11          sistance for their child.

12           “(ii) Regardless of whether a State otherwise  
13          provides for presumptive eligibility under section  
14          1920A, a State may provide presumptive eligibility  
15          under this title, consistent with subsection (e) of sec-  
16          tion 1920A, to a child who, based on a determina-  
17          tion by a non-health agency, would qualify for child  
18          health assistance under a State child health plan  
19          under title XXI. During such presumptive eligibility  
20          period, the State may determine the child’s eligibility  
21          for medical assistance under this title, pursuant to  
22          subparagraph (A) of section 2102(b)(3), based on  
23          telephone contact with family members, access to  
24          data available in electronic or paper form, and other  
25          means of gathering information that are less bur-

1       densome to the family than completing an applica-  
2       tion form on behalf of the child. The procedures de-  
3       scribed in the previous sentence may be used regard-  
4       less of whether the State uses similar procedures  
5       under other circumstances for purposes of deter-  
6       mining eligibility for medical assistance under this  
7       title.

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

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

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

8       “(F) For purposes of this paragraph—

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

11           “(ii) the term ‘non-health benefits’ means the  
12 benefits or assistance provided by a non-health agen-  
13 cy.”.

14       (b) SCHIP.—Section 2107(e)(1) (42 U.S.C.  
15 1397gg(e)(1)), as amended by sections 103(b) and 132(b),  
16 is amended by redesignating subparagraphs (C) through  
17 (F) as subparagraphs (D) through (G) and by inserting  
18 after subparagraph (B) the following new subparagraph:

19           “(C) Section 1902(e)(13) (relating to the  
20 State option to base a determination of a child’s  
21 eligibility for assistance on determinations made  
22 by a program providing nutrition or other pub-  
23 lic assistance (except that the State option  
24 under subparagraph (D) of such section shall

1           apply under this title only if an individual is  
2           pregnant)).”.

3           (c) PRESUMPTIVE ELIGIBILITY.—Section 1920A (42  
4 U.S.C. 1396r–1a) is amended—

5           (1) in subsection (b)(3)(A)(i), is amended by  
6           striking “or (IV)” and inserting “(IV) is an agency  
7           or entity described in section 1902(e)(13)(A), or  
8           (V)”;

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

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

1 and following such period of presumptive eligibility, based  
 2 on the program in which the child is enrolled.”.

3 (d) SIGNATURE REQUIREMENTS.—Section 1902(a)  
 4 (42 U.S.C. 1396a(a)) is amended by adding at the end  
 5 the following: “Notwithstanding any other provision of  
 6 law, a signature under penalty of perjury shall not be re-  
 7 quired on an application form for medical assistance as  
 8 to any element of eligibility for which eligibility is based  
 9 on information received from a source other than appli-  
 10 cant, rather than on representations from the applicant.  
 11 Notwithstanding any other provision of law, any signature  
 12 requirement for an application for medical assistance may  
 13 be satisfied through an electronic signature, as defined in  
 14 section 1710(1) of the Government Paperwork Elimini-  
 15 nation Act (44 U.S.C. 3504 note).”.

16 **SEC. 207. INFORMATION TECHNOLOGY CONNECTIONS TO**  
 17 **IMPROVE HEALTH COVERAGE DETERMINA-**  
 18 **TIONS.**

19 (a) ENHANCED FEDERAL FUNDING FOR IMPROVE-  
 20 MENTS RELATED TO IMPLEMENTATION OF CERTAIN  
 21 MODEL OUTREACH AND ENROLLMENT PRACTICES.—

22 (1) IN GENERAL.—Section 1903(a)(3)(A) (42  
 23 U.S.C. 1396b(a)(3)(A)) is amended—

24 (A) by striking “and” at the end of clause

25 (i); and

1 (B) by adding at the end the following new  
2 clause:

3 “(iii) 75 percent of so much of the sums  
4 expended during such quarter as are attrib-  
5 utable to the design, development, or installa-  
6 tion of such mechanized claims processing and  
7 information retrieval systems and the imple-  
8 mentation of administrative systems and proc-  
9 esses (including modification of eligibility com-  
10 puter systems to permit the exchange of elec-  
11 tronic information with other Federal or State  
12 programs) as the Secretary determines are di-  
13 rectly related to the implementation of a model  
14 outreach and enrollment practice described in  
15 subparagraph (B), (C), (D), (E), or (F) of sec-  
16 tion 1905(y)(3), and”.

17 (2) CONFORMING AMENDMENT TO ENSURE  
18 AVAILABILITY FOR TERRITORIES.—Section 1108(g)  
19 (42 U.S.C. 1308(g)) is amended by adding at the  
20 end the following new paragraph:

21 “(4) ADDITIONAL INCREASE FOR CERTAIN EX-  
22 PENDITURES.—With respect to fiscal year 2008 and  
23 each fiscal year thereafter, if Puerto Rico, the Virgin  
24 Islands, Guam, the Northern Mariana Islands, or  
25 American Samoa qualify for a payment under sec-

1       tion 1903(a)(3)(A)(iii) for a calendar quarter of  
 2       such fiscal year, the additional Federal financial par-  
 3       ticipation under such section shall not be counted to-  
 4       wards the limitation on expenditures under title XIX  
 5       for such commonwealth or territory otherwise deter-  
 6       mined under subsection (f) and this subsection for  
 7       such fiscal year.”.

8       (b) AUTHORIZATION OF INFORMATION DISCLO-  
 9       SURE.—

10           (1) IN GENERAL.—Title XIX (42 U.S.C. 1396  
 11       et seq.) is amended—

12                   (A) by redesignating section 1939 as sec-  
 13       tion 1940; and

14                   (B) by inserting after section 1938 the fol-  
 15       lowing:

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

1 agency administering a State plan under this title or title  
2 XXI, if—

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

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

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

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

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

24 “(A) identifying individuals who are eligi-  
25 ble or potentially eligible for assistance under

1 this title or title XXI and enrolling such indi-  
2 viduals in the State plans established under  
3 such titles; and

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

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

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

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

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

1       “(d) RULE OF CONSTRUCTION.—The limitations and  
2 requirements that apply to disclosure pursuant to this sec-  
3 tion shall not be construed to prohibit the conveyance or  
4 disclosure of data or information otherwise permitted  
5 under Federal law (without regard to this section).”.

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

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

17           (4) CONFORMING AMENDMENT TO PROVIDE AC-  
18 CESS TO DATA ABOUT ENROLLMENT IN INSURANCE  
19 FOR PURPOSES OF EVALUATING APPLICATIONS AND  
20 FOR SCHIP.—Section 1902(a)(25)(I)(i) (42 U.S.C.  
21 1396a(a)(25)(I)(i)) is 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. 208. ENCOURAGING CULTURALLY APPROPRIATE EN-**  
5 **ROLLMENT PRACTICES.**

6 Section 1903(a)(2) (42 U.S.C. 1396b(a)(2)) is  
7 amended by adding at the end the following new subpara-  
8 graph:

9 “(E) an amount equal to 75 percent of so much  
10 of the sums expended during such quarter (as found  
11 necessary by the Secretary for the proper and effi-  
12 cient administration of the State plan) as are attrib-  
13 utable to translation or interpretation services in  
14 connection with the enrollment under this title of  
15 children of families for whom English is not their  
16 primary language; plus”.

17 **SEC. 209. MODEL OF INTERSTATE COORDINATED ENROLL-**  
18 **MENT AND COVERAGE PROCESS.**

19 In order to assure continuity of coverage of low-in-  
20 come children under the Medicaid program and the State  
21 Children’s Health Insurance Program (SCHIP), the Sec-  
22 retary of Health and Human Services, in consultation with  
23 State Medicaid and SCHIP directors, shall develop and  
24 disseminate a model process for the coordination of the  
25 enrollment and coverage under such programs of children

1 who, because of migration of families, emergency evacu-  
 2 ations, educational needs, or otherwise, frequently change  
 3 their State of residency or otherwise are temporarily  
 4 present outside of the State of their residency.

5 **SEC. 210. ELIMINATION OF COUNTING MEDICAID CHILD**  
 6 **PRESUMPTIVE ELIGIBILITY COSTS AGAINST**  
 7 **TITLE XXI ALLOTMENT.**

8 Section 2105(a)(1) (42 U.S.C. 1397ee(a)(1)) is  
 9 amended—

10 (1) in the matter preceding subparagraph (A),  
 11 by striking “(or, in the case of expenditures de-  
 12 scribed in subparagraph (B), the Federal medical  
 13 assistance percentage (as defined in the first sen-  
 14 tence of section 1905(b)))”; and

15 (2) by amending subparagraph (B) to read as  
 16 follows:

17 “(B) [reserved]”.

18 **SEC. 211. AUTHORITY FOR QUALIFYING STATES TO USE**  
 19 **PORTION OF SCHIP ALLOTMENT FOR ANY**  
 20 **FISCAL YEAR FOR CERTAIN MEDICAID EX-**  
 21 **PENDITURES.**

22 Section 2105(g)(1)(A) (42 U.S.C. 1397ee(g)(1)(A)),  
 23 as amended by section 201(b) of the National Institutes  
 24 of Health Reform Act of 2006 (Public Law 109–482) is

1 amended by striking “fiscal year 1998, 1999, 2000, 2001,  
2 2004, 2005, 2006, or 2007” and inserting “a fiscal year”.

3 **SEC. 212. APPLICATION OF MEDICAID OUTREACH PROCE-**  
4 **DURES TO ALL PREGNANT WOMEN AND CHIL-**  
5 **DREN.**

6 (a) IN GENERAL.—Section 1902(a)(55) (42 U.S.C.  
7 1396a(a)(55)) is amended by striking “individuals for  
8 medical assistance under subsection (a)(10)(A)(i)(IV),  
9 (a)(10)(A)(i)(VI), (a)(10)(A)(i)(VII), or  
10 (a)(10)(A)(ii)(IX)” and inserting “child and pregnant  
11 women for medical assistance (including under clauses  
12 (i)(IV), (i)(VI), (i)(VII), and (ii)(IX) of paragraph  
13 (10)(A))”.

14 (b) EFFECTIVE DATE.—

15 (1) IN GENERAL.—Except as provided in para-  
16 graph (2), the amendment made by subsection (a)  
17 takes effect on January 1, 2008.

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

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

### 10 **TITLE III—EFFECTIVE DATE**

#### 11 **SEC. 301. EFFECTIVE DATE.**

12 Unless otherwise provided, the amendments made by  
13 this Act shall take effect on October 1, 2007, and shall  
14 apply to child health assistance and medical assistance  
15 provided on or after that date without regard to whether  
16 or not final regulations to carry out such amendments  
17 have been promulgated by such date.

○