

## AMENDMENTS

2000—Subsec. (d)(7). Pub. L. 106-402 substituted “State Council on Developmental Disabilities established under section 125 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 and the protection and advocacy system established under subtitle C of that Act” for “State Planning Council established under section 6024 of this title, and the Protection and Advocacy System established under section 6042 of this title”.

**Statutory Notes and Related Subsidiaries**

## EFFECTIVE DATE

Pub. L. 101-508, title IV, §4712(c), Nov. 5, 1990, 104 Stat. 1388-190, provided that:

“(1) IN GENERAL.—The amendments made by this section [enacting this section and amending section 1396d of this title] shall apply to community supported living arrangements services furnished on or after the later of July 1, 1991, or 30 days after the publication of regulations setting forth interim requirements under subsection (h) [probably means 42 U.S.C. 1396u(h)] without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

“(2) APPLICATION PROCESS.—The Secretary of Health and Human Services shall provide that the applications required to be submitted by States under this section shall be received and approved prior to the effective date specified in paragraph (1).”

**§ 1396u-1. Assuring coverage for certain low-income families****(a) References to subchapter IV-A are references to pre-welfare-reform provisions**

Subject to the succeeding provisions of this section, with respect to a State any reference in this subchapter (or any other provision of law in relation to the operation of this subchapter) to a provision of part A of subchapter IV, or a State plan under such part (or a provision of such a plan), including income and resource standards and income and resource methodologies under such part or plan, shall be considered a reference to such a provision or plan as in effect as of July 16, 1996, with respect to the State.

**(b) Application of pre-welfare-reform eligibility criteria****(1) In general**

For purposes of this subchapter, subject to paragraphs (2) and (3), in determining eligibility for medical assistance—

(A) an individual shall be treated as receiving aid or assistance under a State plan approved under part A of subchapter IV only if the individual meets—

(i) the income and resource standards for determining eligibility under such plan, and

(ii) the eligibility requirements of such plan under subsections (a) through (c) of section 606 of this title and section 607(a) of this title,

as in effect as of July 16, 1996; and

(B) the income and resource methodologies under such plan as of such date shall be used in the determination of whether any individual meets income and resource standards under such plan.

**(2) State option**

For purposes of applying this section, a State—

(A) may lower its income standards applicable with respect to part A of subchapter IV, but not below the income standards applicable under its State plan under such part on May 1, 1988;

(B) may increase income or resource standards under the State plan referred to in paragraph (1) over a period (beginning after July 16, 1996) by a percentage that does not exceed the percentage increase in the Consumer Price Index for all urban consumers (all items; United States city average) over such period; and

(C) may use income and resource methodologies that are less restrictive than the methodologies used under the State plan under such part as of July 16, 1996.

**(3) Option to terminate medical assistance for failure to meet work requirement****(A) Individuals receiving cash assistance under TANF**

In the case of an individual who—

(i) is receiving cash assistance under a State program funded under part A of subchapter IV,

(ii) is eligible for medical assistance under this subchapter on a basis not related to section 1396a(l) of this title, and

(iii) has the cash assistance under such program terminated pursuant to section 607(e)(1)(B) of this title (as in effect on or after the welfare reform effective date) because of refusing to work,

the State may terminate such individual's eligibility for medical assistance under this subchapter until such time as there no longer is a basis for the termination of such cash assistance because of such refusal.

**(B) Exception for children**

Subparagraph (A) shall not be construed as permitting a State to terminate medical assistance for a minor child who is not the head of a household receiving assistance under a State program funded under part A of subchapter IV.

**(c) Treatment for purposes of transitional coverage provisions****(1) Transition in the case of child support collections**

The provisions of section 606(h) of this title (as in effect on July 16, 1996) shall apply, in relation to this subchapter, with respect to individuals (and families composed of individuals) who are described in subsection (b)(1)(A), in the same manner as they applied before such date with respect to individuals who became ineligible for aid to families with dependent children as a result (wholly or partly) of the collection of child or spousal support under part D of subchapter IV.

**(2) Transition in the case of earnings from employment**

For continued medical assistance in the case of individuals (and families composed of individuals) described in subsection (b)(1)(A) who would otherwise become ineligible because of hours or income from employment, see sections 1396r-6 and 1396a(e)(1) of this title.

**(d) Waivers**

In the case of a waiver of a provision of part A of subchapter IV in effect with respect to a State as of July 16, 1996, or which is submitted to the Secretary before August 22, 1996, and approved by the Secretary on or before July 1, 1997, if the waiver affects eligibility of individuals for medical assistance under this subchapter, such waiver may (but need not) continue to be applied, at the option of the State, in relation to this subchapter after the date the waiver would otherwise expire.

**(e) State option to use 1 application form**

Nothing in this section, or part A of subchapter IV, shall be construed as preventing a State from providing for the same application form for assistance under a State program funded under part A of subchapter IV (on or after the welfare reform effective date) and for medical assistance under this subchapter.

**(f) Additional rules of construction**

(1) With respect to the reference in section 1396a(a)(5) of this title to a State plan approved under part A of subchapter IV, a State may treat such reference as a reference either to a State program funded under such part (as in effect on and after the welfare reform effective date) or to the State plan under this subchapter.

(2) Any reference in section 1396a(a)(55) of this title to a State plan approved under part A of subchapter IV shall be deemed a reference to a State program funded under such part.

(3) In applying section 1396b(f) of this title, the applicable income limitation otherwise determined shall be subject to increase in the same manner as income or resource standards of a State may be increased under subsection (b)(2)(B).

**(g) Relation to other provisions**

The provisions of this section shall apply notwithstanding any other provision of this chapter.

**(h) Transitional increased Federal matching rate for increased administrative costs****(1) In general**

Subject to the succeeding provisions of this subsection, the Secretary shall provide that with respect to administrative expenditures described in paragraph (2) the per centum specified in section 1396b(a)(7) of this title shall be increased to such percentage as the Secretary specifies.

**(2) Administrative expenditures described**

The administrative expenditures described in this paragraph are expenditures described in section 1396b(a)(7) of this title that a State demonstrates to the satisfaction of the Secretary are attributable to administrative costs of eligibility determinations that (but for the enactment of this section) would not be incurred.

**(3) Limitation**

The total amount of additional Federal funds that are expended as a result of the application of this subsection for the period beginning with fiscal year 1997 shall not exceed

\$500,000,000. In applying this paragraph, the Secretary shall ensure the equitable distribution of additional funds among the States.

**(i) Welfare reform effective date**

In this section, the term “welfare reform effective date” means the effective date, with respect to a State, of title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (as specified in section 116 of such Act).

(Aug. 14, 1935, ch. 531, title XIX, § 1931, as added Pub. L. 104-193, title I, § 114(a)(2), Aug. 22, 1996, 110 Stat. 2177; amended Pub. L. 106-113, div. B, § 1000(a)(6) [title VI, § 602(a)], Nov. 29, 1999, 113 Stat. 1536, 1501A-394.)

**Editorial Notes**

## REFERENCES IN TEXT

For effective date, with respect to a State, of title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (as specified in section 116 of such Act), referred to in subsec. (i), see section 116 of Pub. L. 104-193, set out as an Effective Date note under section 601 of this title.

## PRIOR PROVISIONS

A prior section 1931 of act Aug. 14, 1935, was renumbered section 1939 and is classified to section 1396v of this title.

## AMENDMENTS

1999—Subsec. (h)(3). Pub. L. 106-113, § 1000(a)(6) [title VI, § 602(a)(1)], struck out “and ending with fiscal year 2000” after “fiscal year 1997”.

Subsec. (h)(4). Pub. L. 106-113, § 1000(a)(6) [title VI, § 602(a)(2)], struck out heading and text of par. (4). Prior to amendment, text read as follows: “This subsection shall only apply with respect to a State for expenditures incurred during the first 12 calendar quarters in which the State program funded under part A of subchapter IV of this chapter (as in effect on and after the welfare reform effective date) is in effect.”

**Statutory Notes and Related Subsidiaries**

## EFFECTIVE DATE OF 1999 AMENDMENT

Pub. L. 106-113, div. B, § 1000(a)(6) [title VI, § 602(b)], Nov. 29, 1999, 113 Stat. 1536, 1501A-394, provided that: “The amendments made by this section [amending this section] shall take effect as if included in the enactment of section 114 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193; 110 Stat. 2177).”

## EFFECTIVE DATE

Section effective July 1, 1997, with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104-193, as amended, set out as a note under section 601 of this title.

**§ 1396u-2. Provisions relating to managed care****(a) State option to use managed care****(1) Use of medicaid managed care organizations and primary care case managers****(A) In general**

Subject to the succeeding provisions of this section, and notwithstanding paragraph