

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 1891

To shift financial responsibility for providing welfare assistance to the States and shift financial responsibility for providing medical assistance under title XIX of the Social Security Act to the Federal Government, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 7 (legislative day, FEBRUARY 22), 1994

Mrs. KASSEBAUM (for herself, Mr. BENNETT, Mr. BROWN, Mr. CRAIG, and Mr. DANFORTH) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To shift financial responsibility for providing welfare assistance to the States and shift financial responsibility for providing medical assistance under title XIX of the Social Security Act to the Federal Government, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Welfare and Medicaid  
5 Responsibility Exchange Act of 1994”.

1 **SEC. 2. EXCHANGE OF FINANCIAL RESPONSIBILITIES FOR**  
2 **CERTAIN WELFARE PROGRAMS AND THE**  
3 **MEDICAID PROGRAM.**

4 (a) IN GENERAL.—In exchange for the Federal funds  
5 received by a State under section 3 for fiscal years 1996,  
6 1997, 1998, 1999, and 2000 such State shall provide cash  
7 and non-cash assistance to low income individuals in ac-  
8 cordance with subsection (b).

9 (b) REQUIREMENT TO PROVIDE A CERTAIN LEVEL  
10 OF LOW INCOME ASSISTANCE.—

11 (1) IN GENERAL.—The amount of cash and  
12 non-cash assistance provided to low income individ-  
13 uals by a State for any quarter during fiscal years  
14 1996, 1997, 1998, 1999, and 2000 shall not be less  
15 than the sum of—

16 (A) the amount determined under para-  
17 graph (2); and

18 (B) the amount determined under para-  
19 graph (3).

20 (2) MAINTENANCE OF EFFORT WITH RESPECT  
21 TO FEDERAL PROGRAMS TERMINATED.—

22 (A) QUARTER BEGINNING OCTOBER 1,  
23 1995.—The amount determined under this para-  
24 graph for the quarter beginning October 1,  
25 1995, is an amount equal to the sum of—

1 (i) one-quarter of the base expendi-  
2 tures determined under subparagraph (C)  
3 for the State,

4 (ii) the product of the amount deter-  
5 mined under clause (i) and the estimated  
6 increase in the consumer price index (for  
7 all urban consumers, United States city av-  
8 erage) for the preceding quarter, and

9 (iii) the amount that the Federal Gov-  
10 ernment and the State would have ex-  
11 pended in the State in the quarter under  
12 the programs terminated under section 4  
13 solely by reason of the increase in recipi-  
14 ents which the Secretary of Health and  
15 Human Services and the Secretary of Agri-  
16 culture estimate would have occurred if  
17 such programs had not been terminated.

18 (B) SUCCEEDING QUARTERS.—The  
19 amount determined under this paragraph for  
20 any quarter beginning on or after January 1,  
21 1996, is an amount equal to the sum of—

22 (i) the amount expended by the State  
23 under subsection (a) in the preceding quar-  
24 ter,

1 (ii) the product of the amount deter-  
2 mined under clause (i) and the estimated  
3 increase in the consumer price index (for  
4 all urban consumers, United States city av-  
5 erage) for the preceding quarter, and

6 (iii) the amount that the Federal Gov-  
7 ernment and the State would have ex-  
8 pended in the State in the quarter under  
9 the programs terminated under section 4  
10 solely by reason of the increase in recipi-  
11 ents which the Secretary of Health and  
12 Human Services and the Secretary of Agri-  
13 culture estimate would have occurred if  
14 such programs had not been terminated.

15 (C) DETERMINATION OF BASE AMOUNT.—

16 The Secretary of Health and Human Services,  
17 in cooperation with the Secretary of Agri-  
18 culture, shall calculate for each State an  
19 amount equal to the total Federal and State ex-  
20 penditures for administering and providing—

21 (i) aid to families with dependent chil-  
22 dren under a State plan under title IV of  
23 the Social Security Act (42 U.S.C. 601 et  
24 seq.),

1 (ii) benefits under the food stamp pro-  
2 gram under the Food Stamp Act of 1977  
3 (7 U.S.C. 2011 et seq.), including benefits  
4 provided under section 19 of such Act (7  
5 U.S.C. 2028), and

6 (iii) benefits under the special supple-  
7 mental program for women, infants, and  
8 children established under section 17 of  
9 the Child Nutrition Act of 1966 (42  
10 U.S.C. 1786),

11 for the State during the 12-month period begin-  
12 ning on July 1, 1994.

13 (3) MAINTENANCE OF EFFORT WITH RESPECT  
14 TO STATE PROGRAMS.—The amount determined  
15 under this paragraph for a quarter is the amount of  
16 State expenditures for such quarter required to  
17 maintain State programs providing cash and non-  
18 cash assistance to low income individuals as such  
19 programs were in effect during the 12-month period  
20 beginning on July 1, 1994.

21 **SEC. 3. PAYMENTS TO STATES.**

22 (a) IN GENERAL.—The Secretary of Health and  
23 Human Services shall make quarterly payments to each  
24 State during fiscal years 1996, 1997, 1998, 1999, and  
25 2000 in an amount equal to one-quarter of the amount

1 determined under subsection (b) for the applicable fiscal  
2 year and such amount shall be used for the purposes de-  
3 scribed in subsection (c).

4 (b) PAYMENT EQUIVALENT TO FEDERAL WELFARE  
5 SAVINGS.—

6 (1) IN GENERAL.—The amount available to be  
7 paid to a State for a fiscal year shall be an amount  
8 equal to the amount calculated under paragraph (2)  
9 for the State.

10 (2) AMOUNTS AVAILABLE.—

11 (A) FISCAL YEAR 1996.—In fiscal year  
12 1996, the amount available under this sub-  
13 section for a State is equal to the sum of—

14 (i) the base amount determined under  
15 paragraph (3) for the State,

16 (ii) the product of the amount deter-  
17 mined under clause (i) and the increase in  
18 the consumer price index (for all urban  
19 consumers, United States city average) for  
20 the 12-month period described in para-  
21 graph (3), and

22 (iii) the amount that the Federal Gov-  
23 ernment and the State would have ex-  
24 pended in the State in fiscal year 1996  
25 under the programs terminated under sec-

1           tion 4 solely by reason of the increase in  
2           recipients which the Secretary of Health  
3           and Human Services and the Secretary of  
4           Agriculture estimate would have occurred  
5           if such programs had not been terminated.

6           (B) SUCCEEDING FISCAL YEARS.—In any  
7           succeeding fiscal year, the amount available  
8           under this subsection for a State is equal to the  
9           sum of—

10           (i) the amount determined under this  
11           paragraph for the State in the previous fis-  
12           cal year,

13           (ii) the product of the amount deter-  
14           mined under clause (i) and the estimated  
15           increase in the consumer price index (for  
16           all urban consumers, United States city av-  
17           erage) during the previous fiscal year, and

18           (iii) the amount that the Federal Gov-  
19           ernment and the State would have ex-  
20           pended in the State in the fiscal year  
21           under the programs terminated under sec-  
22           tion 4 solely by reason of the increase in  
23           recipients which the Secretary of Health  
24           and Human Services and the Secretary of

1           Agriculture estimate would have occurred  
2           if such programs had not been terminated.

3           (3) DETERMINATION OF BASE AMOUNT.—The  
4           Secretary of Health and Human Services, in co-  
5           operation with the Secretary of Agriculture, shall  
6           calculate the amount that the Federal Government  
7           expended for administering and providing—

8                   (A) aid to families with dependent children  
9                   under a State plan under title IV of the Social  
10                  Security Act (42 U.S.C. 601 et seq.),

11                  (B) benefits under the food stamp program  
12                  under the Food Stamp Act of 1977 (7 U.S.C.  
13                  2011 et seq.), including benefits provided under  
14                  section 19 of such Act (7 U.S.C. 2028), and

15                  (C) benefits under the special supplemental  
16                  program for women, infants, and children es-  
17                  tablished under section 17 of the Child Nutri-  
18                  tion Act of 1966 (42 U.S.C. 1786),

19           in each State during the 12-month period beginning  
20           on July 1, 1994.

21           (c) PURPOSES FOR WHICH AMOUNTS MAY BE EX-  
22           PENDED.—

23                   (1) MEDICAID PROGRAM.—

1 (A) IN GENERAL.—Notwithstanding any  
2 other provision of law, during fiscal years 1996,  
3 1997, 1998, 1999, and 2000 a State shall—

4 (i) except as provided in subparagraph  
5 (B), provide medical assistance under title  
6 XIX of the Social Security Act in accord-  
7 ance with the terms of the State’s plan in  
8 effect on January 1, 1994, and

9 (ii) use the funds it receives under  
10 this section toward the State’s financial  
11 participation for expenditures made under  
12 the plan.

13 (B) CHANGES IN ELIGIBILITY DURING FIS-  
14 CAL YEARS 1998, 1999, AND 2000.—During fiscal  
15 years 1998, 1999, and 2000, a State may  
16 change State plan requirements relating to eli-  
17 gibility for medical assistance under title XIX  
18 of the Social Security Act if the aggregate ex-  
19 penditures under such State plan for the fiscal  
20 year do not exceed the amount that would have  
21 been spent if a State plan described in subpara-  
22 graph (A)(i) had been in effect during such fis-  
23 cal year.

24 (C) WAIVER OF REQUIREMENTS.—The  
25 Secretary of Health and Human Services may

1 grant a waiver of the requirements under sub-  
2 paragraphs (A)(i) and (B) if a State makes an  
3 adequate showing of need in a waiver applica-  
4 tion submitted in such manner as the Secretary  
5 determines appropriate.

6 (2) EXCESS.—A State that receives funds  
7 under this section that are in excess of the State's  
8 financial participation for expenditures made under  
9 the State plan for medical assistance under title  
10 XIX of the Social Security Act shall use such excess  
11 funds to provide cash and non-cash assistance for  
12 low income families.

13 (d) DENIAL OF PAYMENTS FOR FAILURE TO MAIN-  
14 TAIN EFFORT.—No payment shall be made under sub-  
15 section (a) for a quarter if a State fails to comply with  
16 the requirements of section 2(b) for the preceding quarter.

17 (e) ENTITLEMENT.—This section constitutes budget  
18 authority in advance of appropriations Acts, and rep-  
19 resents the obligation of the Federal Government to pro-  
20 vide the payments described in subsection (a).

21 **SEC. 4. TERMINATION OF CERTAIN FEDERAL WELFARE**  
22 **PROGRAMS.**

23 (a) TERMINATION.—

1 (1) AFDC.—Part A of title IV of the Social Se-  
2 curity Act (42 U.S.C. 601 et seq.) is amended by  
3 adding at the end the following new section:

4 “TERMINATION OF AUTHORITY

5 “SEC. 418. The authority provided by this part shall  
6 terminate on October 1, 1995.”.

7 (2) JOBS.—Part F of title IV of the Social Se-  
8 curity Act (42 U.S.C. 681 et seq.) is amended by  
9 adding at the end the following new section:

10 “TERMINATION OF AUTHORITY

11 “SEC. 488. The authority provided by this part shall  
12 terminate on October 1, 1995.”.

13 (3) SPECIAL SUPPLEMENTAL FOOD PROGRAM  
14 FOR WOMEN, INFANTS, AND CHILDREN (WIC).—  
15 Section 17 of the Child Nutrition Act of 1966 (42  
16 U.S.C. 1786) is amended by adding at the end the  
17 following new subsection:

18 “(q) The authority provided by this section shall ter-  
19minate on October 1, 1995.”.

20 (4) FOOD STAMP PROGRAM.—The Food Stamp  
21 Act of 1977 (7 U.S.C. 2011 et seq.) is amended by  
22 adding at the end the following new section:

23 **“SEC. 24. TERMINATION OF AUTHORITY.**

24 “The authority provided by this Act shall terminate  
25 on October 1, 1995.”.

26 (b) REFERENCES IN OTHER LAWS.—

1           (1) IN GENERAL.—Any reference in any law,  
2 regulation, document, paper, or other record of the  
3 United States to any provision that has been termi-  
4 nated by reason of the amendments made in sub-  
5 section (a) shall, unless the context otherwise re-  
6 quires, be considered to be a reference to such provi-  
7 sion, as in effect immediately before the date of the  
8 enactment of this Act.

9           (2) STATE PLANS.—Any reference in any law,  
10 regulation, document, paper, or other record of the  
11 United States to a State plan that has been termi-  
12 nated by reason of the amendments made in sub-  
13 section (a), shall, unless the context otherwise re-  
14 quires, be considered to be a reference to such plan  
15 as in effect immediately before the date of the enact-  
16 ment of this Act.

17 **SEC. 5. FEDERALIZATION OF THE MEDICAID PROGRAM.**

18 Beginning on October 1, 2000—

19           (1) each State with a State plan approved  
20 under title XIX of the Social Security Act shall be  
21 relieved of administrative or financial responsibility  
22 for the medicaid program under such title of such  
23 Act,

24           (2) the Secretary of Health and Human Serv-  
25 ices shall assume such responsibilities and continue

1 to conduct such program in a State in any manner  
2 determined appropriate by the Secretary that is in  
3 accordance with the provisions of title XIX of the  
4 Social Security Act, and

5 (3) all expenditures for the program as con-  
6 ducted by the Secretary shall be paid by Federal  
7 funds.

8 **SEC. 6. SECRETARIAL SUBMISSION OF LEGISLATIVE PRO-**  
9 **POSAL FOR TECHNICAL AND CONFORMING**  
10 **AMENDMENTS.**

11 The Secretary of Health and Human Services shall,  
12 within 90 days after the date of enactment of this Act,  
13 submit to the appropriate committees of Congress, a legis-  
14 lative proposal providing for such technical and conform-  
15 ing amendments in the law as are required by the provi-  
16 sions of this Act.

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