

107TH CONGRESS
1ST SESSION

S. 1266

To amend title XXI of the Social Security Act to expand the provision of child health assistance to children with family income up to 300 percent of poverty.

IN THE SENATE OF THE UNITED STATES

JULY 27, 2001

Mrs. CLINTON (for herself, Mr. SCHUMER, Mr. CORZINE, Mr. TORRICELLI, and Mr. LEVIN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XXI of the Social Security Act to expand the provision of child health assistance to children with family income up to 300 percent of poverty.

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 “SCHIP Enhancement
5 Act of 2001”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) The State children’s health insurance pro-
9 gram (SCHIP) established under title XXI of the

1 Social Security Act (42 U.S.C. 1397aa et seq.) cur-
 2 rently limits coverage of children under that pro-
 3 gram to children whose family income does not ex-
 4 ceed 200 percent of the Federal poverty line or 50
 5 percentage points above the State’s medicaid appli-
 6 cable income level.

7 (2) Three million uninsured children (over 1 of
 8 every 4 such children) have family incomes that ex-
 9 ceed 200 percent of the Federal poverty line, and
 10 1,400,000 of those uninsured children would be pro-
 11 vided health insurance coverage if the income eligi-
 12 bility level for SCHIP were increased to 300 percent
 13 of the Federal poverty line.

14 **SEC. 3. STATE OPTION TO EXPAND INCOME ELIGIBILITY**
 15 **UNDER SCHIP.**

16 (a) DEFINITION OF LOW-INCOME CHILD.—Section
 17 2110(c)(4) of the Social Security Act (42 U.S.C. 42
 18 U.S.C. 1397jj(c)(4)) is amended—

19 (1) by striking “The term” and inserting the
 20 following:

21 “(A) IN GENERAL.—The term”; and

22 (2) by adding at the end the following new sub-
 23 paragraph:

24 “(B) STATE OPTION TO EXPAND ELIGI-
 25 BILITY.—

1 “(1) INCREASE IN INCOME ELIGIBILITY.—The
2 State submits to the Secretary a certification by the
3 chief executive officer of the State that, during the
4 fiscal year, the State child health plan (whether im-
5 plemented under title XIX or under this title) will
6 have an income standard for children that is at
7 least—

8 “(A) with respect to the additional allot-
9 ment determined under subsection (b)(1), 250
10 percent of the poverty line; and

11 “(B) with respect to the additional allot-
12 ment determined under subsection (b)(2), 300
13 percent of the poverty line.

14 “(2) SUBMISSION OF INFORMATION REQUIRED
15 FOR CERTAIN USES OF THE ADDITIONAL ALLOT-
16 MENT.—In the case of a State that intends to use
17 the additional allotment provided under subsection
18 (b)(2) for the purpose described in subsection (c)(3),
19 the State submits to the Secretary a description of
20 the reasonable planning and implementation costs
21 the State expects to incur in providing premium as-
22 sistance for family coverage under an employer-spon-
23 sored group health plan in accordance with sub-
24 section (d).

1 “(b) DETERMINATION OF ADDITIONAL ALLOT-
2 MENTS.—

3 “(1) STATES THAT INCREASE INCOME STAND-
4 ARD TO 250 PERCENT.—With respect to
5 \$617,000,000 of the amount available for the addi-
6 tional allotments under subsection (e) for a fiscal
7 year, the Secretary shall allot an amount to each
8 State with a State child health plan approved under
9 this title that satisfies the requirements of para-
10 graph (1)(A) and, if applicable, paragraph (2) of
11 subsection (a)—

12 “(A) in the case of such a State other than
13 a commonwealth or territory described in sub-
14 paragraph (B), an amount determined to bear
15 the same ratio to \$617,000,000 as the State’s
16 allotment under section 2104(b) (determined
17 without regard to section 2104(f)) bears to
18 98.95 percent of the total amount of the allot-
19 ments determined under section 2104(b) for
20 such States for such fiscal year; and

21 “(B) in the case of a commonwealth or ter-
22 ritory described in section 2104(c)(3), deter-
23 mined to bear the same ratio to \$617,000,000
24 as the commonwealth’s or territory’s allotment
25 under section 2104(c) (determined without re-

1 gard to section 2104(f)) bears to 1.05 percent
2 of the total amount of the allotments deter-
3 mined under section 2104(c) for common-
4 wealths and territories for such fiscal year.

5 “(2) STATES THAT INCREASE INCOME STAND-
6 ARD TO 300 PERCENT.—

7 “(A) IN GENERAL.—With respect to
8 \$383,000,000 of the amount available for the
9 additional allotments under subsection (e) for a
10 fiscal year, the Secretary shall allot an amount
11 to each State with a State child health plan ap-
12 proved under this title that satisfies the require-
13 ments of paragraph (1)(B) and, if applicable,
14 paragraph (2) of subsection (a) determined in
15 the same manner as the additional allotments
16 under paragraph (1).

17 “(B) ALLOTMENTS IN ADDITION TO 250
18 PERCENT ALLOTMENTS.—The allotments pro-
19 vided under this paragraph to a State shall be
20 in addition to the allotments provided to the
21 State under paragraph (1).

22 “(3) AVAILABILITY.—

23 “(A) 3-YEAR AVAILABILITY.—Except as
24 provided in subparagraph (B), amounts allotted
25 to a State under paragraph (1) and, if applica-

1 ble, paragraph (2) for a fiscal year shall remain
 2 available for expenditure by the State through
 3 the end of the second succeeding fiscal year.

4 “(B) RETURN OF UNUSED ALLOT-
 5 MENTS.—The allotments set-aside under para-
 6 graphs (1) and (2) for a fiscal year for any
 7 State that has not met the requirements of sub-
 8 section (a) on January 1 of that fiscal year
 9 shall be returned to the Treasury.

10 “(c) USE OF ADDITIONAL ALLOTMENTS.—The addi-
 11 tional allotments provided under subsection (b) to a State
 12 for a fiscal year may be—

13 “(1) combined with the State’s allotment for
 14 the fiscal year determined under section 2104 and
 15 used to provide child health assistance to all tar-
 16 geted low-income children under the State child
 17 health plan; or

18 “(2) used for—

19 “(A) a premium assistance program under
 20 which the State pays part of the premiums for
 21 coverage of a child who is eligible for child
 22 health assistance under group health insurance
 23 or a group health plan in accordance with sub-
 24 section (d); and

1 “(B) reasonable planning and implementa-
2 tion costs specified by the State under sub-
3 section (a)(2) without regard to the limitation
4 on such costs under section 2105(c)(2)(A).

5 “(d) PREMIUM ASSISTANCE FOR FAMILY COVERAGE
6 UNDER AN EMPLOYER-SPONSORED GROUP HEALTH
7 PLAN.—The additional allotments provided under sub-
8 section (b) to a State for a fiscal year may be used for
9 a premium assistance program that meets the following
10 requirements:

11 “(1) The premium assistance program is cost-
12 effective.

13 “(2) The State provides assurances that a child
14 provided such assistance will receive the minimum
15 benefits and cost-sharing protections established
16 under this title either through the employer-spon-
17 sored group health plan or as a supplement to such
18 coverage.

19 “(3) Employees eligible for employer-sponsored
20 health coverage apply for the full premium contribu-
21 tion available from the employer.

22 “(4) The State evaluates the amount of substi-
23 tution that occurs as a result of the premium assist-
24 ance program and the effect of the program on ac-
25 cess to health coverage.

1 “(e) APPROPRIATION.—For the purpose of providing
2 additional allotments under this section to States that
3 meet the requirements of subsection (a), there is appro-
4 priated, out of any money in the Treasury not otherwise
5 appropriated, for each of fiscal years 2002 through 2011,
6 \$1,000,000,000.”.

7 **SEC. 5. EVALUATION AND REPORT ON PREMIUM ASSIST-**
8 **ANCE FOR FAMILY COVERAGE.**

9 (a) IN GENERAL.—The Secretary of Health and
10 Human Services shall conduct an evaluation of any pre-
11 mium assistance programs conducted with the allotments
12 provided to States under section 2111(b) of the Social Se-
13 curity Act (as added by section 4). Such evaluation shall
14 identify any implementation problems with the provision
15 of such assistance and whether the assistance has sup-
16 planted health insurance coverage that otherwise would be
17 provided to such children.

18 (b) REPORT.—Not later than January 1, 2006, the
19 Secretary of Health and Human Services shall submit to
20 Congress a report on the evaluation conducted under sub-
21 section (a), together with any recommendations for legisla-
22 tion that the Secretary determines to be appropriate as
23 a result of such evaluation.

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