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S. 321

[Report No. 107-265]

To amend title XIX of the Social Security Act to provide families of disabled children with the opportunity to purchase coverage under the medicaid program for such children, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 13, 2001

Mr. GRASSLEY (for himself, Mr. KENNEDY, Mr. JEFFORDS, Mr. BAUCUS, Ms. SNOWE, Mr. ROCKEFELLER, Mr. DASCHLE, Mr. BREAUX, Mr. CONRAD, Mr. GRAHAM, Mr. BINGAMAN, Mr. KERRY, Mr. TORRICELLI, Mrs. LINCOLN, Mr. AKAKA, Mr. BAYH, Mr. BIDEN, Mrs. BOXER, Mr. BYRD, Mr. L. CHAFEE, Mr. CLELAND, Mrs. CLINTON, Ms. COLLINS, Mr. CORZINE, Mr. CRAPO, Mr. DAYTON, Mr. DEWINE, Mr. DODD, Mr. DOMENICI, Mr. DORGAN, Mr. DURBIN, Mr. EDWARDS, Mrs. FEINSTEIN, Mr. FRIST, Mr. HARKIN, Mr. HELMS, Mr. INOUE, Mr. JOHNSON, Mr. KOHL, Ms. LANDRIEU, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mr. LUGAR, Ms. MIKULSKI, Mrs. MURRAY, Mr. NELSON of Florida, Mr. REED, Mr. REID, Mr. ROBERTS, Mr. SANTORUM, Mr. SARBANES, Mr. SCHUMER, Mr. SMITH of Oregon, Mr. THOMAS, Mr. THURMOND, Mr. WARNER, Mr. WELLSTONE, Mr. HOLLINGS, Ms. STABENOW, Mr. MILLER, Mr. HUTCHINSON, Ms. CANTWELL, Mr. ENZI, Mr. HAGEL, Mrs. CARNAHAN, Mr. BOND, Mr. HATCH, Mr. COCHRAN, Mr. SPECTER, Mr. BURNS, Mrs. HUTCHISON, Mr. BUNNING, Mr. ENSIGN, Mr. CARPER, and Mr. MURKOWSKI) introduced the following bill; which was read twice and referred to the Committee on Finance

SEPTEMBER 9, 2002

Reported by Mr. BAUCUS, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend title XIX of the Social Security Act to provide families of disabled children with the opportunity to purchase coverage under the medicaid program for such children, 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 SECUR-**
 4 **RITY ACT; TABLE OF CONTENTS.**

5 (a) **SHORT TITLE.**—This Act may be cited as the
 6 “Family Opportunity Act of 2001” or the “Dylan Lee
 7 James Act”.

8 (b) **AMENDMENTS TO SOCIAL SECURITY ACT.**—Ex-
 9 cept as otherwise specifically provided, whenever in this
 10 Act an amendment is expressed in terms of an amendment
 11 to or repeal of a section or other provision, the reference
 12 shall be considered to be made to that section or other
 13 provision of the Social Security Act.

14 (c) **TABLE OF CONTENTS.**—The table of contents of
 15 this Act is as follows:

- Sec. 1. Short title; amendments to Social Security Act; table of contents.
- Sec. 2. Opportunity for families of disabled children to purchase medicaid coverage for such children.
- Sec. 3. Treatment of inpatient psychiatric hospital services for individuals under age 21 in home or community-based services waivers.
- Sec. 4. Demonstration of coverage under the medicaid program of children with potentially severe disabilities.

Sec. 5: Development and support of family-to-family health information centers.

Sec. 6: Restoration of medicaid eligibility for certain SSI beneficiaries.

1 **SEC. 2. OPPORTUNITY FOR FAMILIES OF DISABLED CHILDREN TO PURCHASE MEDICAID COVERAGE FOR SUCH CHILDREN.**

2 **(a) STATE OPTION TO ALLOW FAMILIES OF DISABLED CHILDREN TO PURCHASE MEDICAID COVERAGE FOR SUCH CHILDREN.—**

3 **(1) IN GENERAL.—**Section 1902 (42 U.S.C. 1396a), as amended by section 2(a) of the Breast and Cervical Cancer Prevention and Treatment Act of 2000 (Public Law 106–354; 114 Stat. 1381) and section 702(b) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (as enacted into law by section 1(a)(6) of Public Law 106–554), is amended—

4 **(A) in subsection (a)(10)(A)(ii)—**

5 **(i) by striking “or” at the end of subclause (XVII);**

6 **(ii) by adding “or” at the end of subclause (XVIII); and**

7 **(iii) by adding at the end the following new subclause:**

8 **“(XIX) who are disabled children described in subsection (cc)(1);” and**

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

3 ~~“(cc)(1)~~ Individuals described in this paragraph are
4 individuals—

5 ~~“(A)~~ who have not attained 18 years of age;

6 ~~“(B)~~ who would be considered disabled under
7 section 1614(a)(3)(C) (determined without regard to
8 the reference to age in that section) but for having
9 earnings or deemed income or resources (as deter-
10 mined under title XVI for children) that exceed the
11 requirements for receipt of supplemental security in-
12 come benefits; and

13 ~~“(C)~~ whose family income does not exceed such
14 income level as the State establishes and does not
15 exceed—

16 ~~“(i)~~ 300 percent of the income official pov-
17 erty line (as defined by the Office of Manage-
18 ment and Budget, and revised annually in ac-
19 cordance with section 673(2) of the Omnibus
20 Budget Reconciliation Act of 1981) applicable
21 to a family of the size involved; or

22 ~~“(ii)~~ such higher percent of such poverty
23 line as a State may establish, except that no
24 Federal financial participation shall be provided
25 under section 1903(a) for any medical assist-

1 ance provided to an individual who would not be
2 described in this subsection but for this
3 clause.”.

4 (2) INTERACTION WITH EMPLOYER-SPONSORED
5 FAMILY COVERAGE.—Section 1902(cc) (42 U.S.C.
6 1396a(cc)), as added by paragraph (1), is amended
7 by adding at the end the following new paragraph:
8 “(2)(A) If an employer of a parent of an individual
9 described in paragraph (1) offers family coverage under
10 a group health plan (as defined in section 2791(a) of the
11 Public Health Service Act), the State may—

12 “(i) require such parent to apply for, enroll in,
13 and pay premiums for, such coverage as a condition
14 of such parent’s child being or remaining eligible for
15 medical assistance under subsection
16 (a)(10)(A)(ii)(XIX) if the parent is determined eligi-
17 ble for such coverage and the employer contributes
18 at least 50 percent of the total cost of annual pre-
19 miums for such coverage; and

20 “(ii) if such coverage is obtained—

21 “(I) subject to paragraph (2) of section
22 1916(h), reduce the premium imposed by the
23 State under that section (if any) in an amount
24 that reasonably reflects the premium contribu-

1 tion made by the parent for private coverage on
2 behalf of a child with a disability; and

3 “(H) treat such coverage as a third party
4 liability under subsection (a)(25).

5 “(B) In the case of a parent to which subparagraph
6 (A) applies, if the family income of such parent does not
7 exceed 300 percent of the income official poverty line (re-
8 ferred to in paragraph (1)(C)(i)), a State may provide for
9 payment of any portion of the annual premium for such
10 family coverage that the parent is required to pay. Any
11 payments made by the State under this subparagraph
12 shall be considered, for purposes of section 1903(a), to
13 be payments for medical assistance.”.

14 (b) STATE OPTION TO IMPOSE INCOME-RELATED
15 PREMIUMS.—Section 1916 (42 U.S.C. 1396o) is
16 amended—

17 (1) in subsection (a), by striking “subsection
18 (g)” and inserting “subsections (g) and (h)”; and

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

21 “(h)(1) With respect to disabled children provided
22 medical assistance under section 1902(a)(10)(A)(ii)(XIX),
23 subject to paragraph (2), a State may (in a uniform man-
24 ner for such children) require the families of such children

1 to pay monthly premiums set on a sliding scale based on
2 family income.

3 “(2) A premium requirement imposed under para-
4 graph (1) may only apply to the extent that—

5 “(A) the aggregate amount of such premium
6 and any premium that the parent is required to pay
7 for family coverage under section 1902(cc)(2)(A)(i)
8 does not exceed 5 percent of the family’s income;
9 and

10 “(B) the requirement is imposed consistent with
11 section 1902(cc)(2)(A)(ii)(I).

12 “(3) A State shall not require prepayment of a pre-
13 mium imposed pursuant to paragraph (1) and shall not
14 terminate eligibility of a child under section
15 1902(a)(10)(A)(ii)(XIX) for medical assistance under this
16 title on the basis of failure to pay any such premium until
17 such failure continues for a period of not less than 60 days
18 from the date on which the premium became past due.
19 The State may waive payment of any such premium in
20 any case where the State determines that requiring such
21 payment would create an undue hardship.”.

22 (e) CONFORMING AMENDMENT.—Section 1903(f)(4)
23 (42 U.S.C. 1396b(f)(4)), as amended by section 710(a)
24 of the Medicare, Medicaid, and SCHIP Benefits Improve-
25 ment and Protection Act of 2000 (as enacted into law by

1 section 1(a)(6) of Public Law 106-554), is amended in
 2 the matter preceding subparagraph (A) by inserting
 3 “1902(a)(10)(A)(ii)(XIX),” after “1902(a)(10)(A)
 4 (ii)(XVIII),”.

5 (d) TECHNICAL AMENDMENTS.—

6 (1) Section 1902 (42 U.S.C. 1396a), as amend-
 7 ed by section 702(b) of the Medicare, Medicaid, and
 8 SCHIP Benefits Improvement and Protection Act of
 9 2000 (as enacted into law by section 1(a)(6) of Pub-
 10 lic Law 106-554), is amended by redesignating the
 11 subsection (aa) added by such section as subsection
 12 (bb).

13 (2) Section 1902(a)(15) (42 U.S.C.
 14 1396a(a)(15)), as added by section 702(a)(2) of the
 15 Medicare, Medicaid, and SCHIP Benefits Improve-
 16 ment and Protection Act of 2000 (as so enacted into
 17 law), is amended by striking “subsection (aa)” and
 18 inserting “subsection (bb)”.

19 (3) Section 1915(b) (42 U.S.C. 1396n(b)), as
 20 amended by section 702(e)(2) of the Medicare, Med-
 21 icaid, and SCHIP Benefits Improvement and Pro-
 22 tection Act of 2000 (as so enacted into law), is
 23 amended by striking “1902(aa)” and inserting
 24 “1902(bb)”.

25 (e) EFFECTIVE DATE.—

1 (1) **IN GENERAL.**—The amendments made by
 2 subsections (a), (b), and (c) shall apply to medical
 3 assistance for items and services furnished on or
 4 after January 1, 2002.

5 (2) **TECHNICAL AMENDMENTS.**—The amend-
 6 ments made by subsection (d) shall take effect as if
 7 included in the enactment of section 702 of the
 8 Medicare, Medicaid, and SCHIP Benefits Improve-
 9 ment and Protection Act of 2000 (as enacted into
 10 law by section 1(a)(6) of Public Law 106–554).

11 **SEC. 3. TREATMENT OF INPATIENT PSYCHIATRIC HOS-**
 12 **PITAL SERVICES FOR INDIVIDUALS UNDER**
 13 **AGE 21 IN HOME OR COMMUNITY-BASED**
 14 **SERVICES WAIVERS.**

15 (a) **IN GENERAL.**—Section 1915(e) (42 U.S.C.
 16 ~~1396n(c)~~) is amended—

17 (1) in paragraph (1)—

18 (A) in the first sentence, by inserting “, or
 19 inpatient psychiatric hospital services for indi-
 20 viduals under age 21,” after “intermediate care
 21 facility for the mentally retarded”; and

22 (B) in the second sentence, by inserting “,
 23 or inpatient psychiatric hospital services for in-
 24 dividuals under age 21” before the period;

1 (2) in paragraph (2)(B), by striking “or serv-
2 ices in an intermediate care facility for the mentally
3 retarded” each place it appears and inserting “,
4 services in an intermediate care facility for the men-
5 tally retarded, or inpatient psychiatric hospital serv-
6 ices for individuals under age 21”;

7 (3) by striking paragraph (2)(C) and inserting
8 the following:

9 “(C) such individuals who are determined to be
10 likely to require the level of care provided in a hos-
11 pital, nursing facility, or intermediate care facility
12 for the mentally retarded, or inpatient psychiatric
13 hospital services for individuals under age 21, are
14 informed of the feasible alternatives, if available
15 under the waiver, at the choice of such individuals,
16 to the provision of inpatient hospital services, nurs-
17 ing facility services, services in an intermediate care
18 facility for the mentally retarded, or inpatient psy-
19 chiatric hospital services for individuals under age
20 21;” and

21 (4) in paragraph (7)(A)—

22 (A) by inserting “, or inpatient psychiatric
23 hospital services for individuals under age 21,”
24 after “intermediate care facility for the men-
25 tally retarded”; and

1 (B) by inserting “, or who would require
2 inpatient psychiatric hospital services for indi-
3 viduals under age 21” before the period.

4 (b) EFFECTIVE DATE.—The amendments made by
5 subsection (a) apply with respect to medical assistance
6 provided on or after January 1, 2001.

7 **SEC. 4. DEMONSTRATION OF COVERAGE UNDER THE MED-**
8 **ICAID PROGRAM OF CHILDREN WITH POTEN-**
9 **TIALLY SEVERE DISABILITIES.**

10 (a) STATE APPLICATION.—A State may apply to the
11 Secretary of Health and Human Services (in this section
12 referred to as the “Secretary”) for approval of a dem-
13 onstration project (in this section referred to as a “dem-
14 onstration project”) under which up to a specified max-
15 imum number of children with a potentially severe dis-
16 ability (as defined in subsection (b)) are provided medical
17 assistance under the State medicaid plan under title XIX
18 of the Social Security Act (42 U.S.C. 1396 et seq.).

19 (b) CHILD WITH A POTENTIALLY SEVERE DIS-
20 ABILITY DEFINED.—

21 (1) IN GENERAL.—In this section, the term
22 “child with a potentially severe disability” means,
23 with respect to a demonstration project, an indi-
24 vidual who—

25 (A) has not attained 21 years of age;

1 (B) has a physical or mental condition;
2 disease, disorder (including a congenital birth
3 defect or a metabolic condition), injury, or de-
4 velopmental disability that was incurred before
5 the individual attained such age; and

6 (C) is reasonably expected, but for the re-
7 ceipt of medical assistance under the State
8 medicaid plan, to reach the level of disability
9 defined under section 1614(a)(3) of the Social
10 Security Act (42 U.S.C. 1382c(a)(3)), (deter-
11 mined without regard to the reference to age in
12 subparagraph (C) of that section).

13 (2) EXCEPTION.—Such term does not include
14 an individual who would be considered disabled
15 under section 1614(a)(3)(C) of the Social Security
16 Act (42 U.S.C. 1382c(a)(3)(C)) (determined without
17 regard to the reference to age in that section).

18 (c) APPROVAL OF DEMONSTRATION PROJECTS.—

19 (1) IN GENERAL.—Subject to paragraph (3),
20 the Secretary shall approve applications under sub-
21 section (a) that meet the requirements of paragraph
22 (2) and such additional terms and conditions as the
23 Secretary may require. The Secretary may waive the
24 requirement of section 1902(a)(1) of the Social Se-

1 eurity Act (42 U.S.C. 1396a(a)(1)) to allow for sub-
 2 State demonstrations.

3 ~~(2) TERMS AND CONDITIONS OF DEMONSTRATION~~
 4 ~~PROJECTS.—~~The Secretary may not approve a
 5 demonstration project under this section unless the
 6 State provides assurances satisfactory to the Sec-
 7 retary that the following conditions are or will be
 8 met:

9 (A) INDEPENDENT EVALUATION.—The
 10 State provides for an independent evaluation of
 11 the project to be conducted during fiscal year
 12 2006.

13 (B) CONSULTATION FOR DEVELOPMENT
 14 OF CRITERIA.—The State consults with appro-
 15 priate pediatric health professionals in estab-
 16 lishing the criteria for determining whether a
 17 child has a potentially severe disability.

18 (C) ANNUAL REPORT.—The State submits
 19 an annual report to the Secretary (in a uniform
 20 form and manner established by the Secretary)
 21 on the use of funds provided under the grant
 22 that includes the following:

23 (i) Enrollment and financial statistics

24 on—

1 (I) the total number of children
 2 with a potentially severe disability en-
 3 rolled in the demonstration project,
 4 disaggregated by disability;

5 (II) the services provided by cat-
 6 egory or code and the cost of each
 7 service so categorized or coded; and

8 (III) the number of children en-
 9 rolled in the demonstration project
 10 who also receive services through pri-
 11 vate insurance.

12 (ii) With respect to the report sub-
 13 mitted for fiscal year 2006, the results of
 14 the independent evaluation conducted
 15 under subparagraph (A).

16 (iii) Such additional information as
 17 the Secretary may require.

18 ~~(3) LIMITATIONS ON FEDERAL FUNDING.—~~

19 ~~(A) APPROPRIATION.—~~

20 ~~(i) IN GENERAL.—~~Out of any funds in
 21 the Treasury not otherwise appropriated,
 22 there is appropriated to carry out this
 23 section—

24 ~~(I) \$16,666,000 for each of fiscal~~
 25 ~~years 2002 and 2003; and~~

1 (II) \$16,667,000 for each of fis-
2 eal years 2004 through 2007.

3 (ii) BUDGET AUTHORITY.—Clause (i)
4 constitutes budget authority in advance of
5 appropriations Acts and represents the ob-
6 ligation of the Federal Government to pro-
7 vide for the payment of the amounts ap-
8 propriated under clause (i).

9 (B) LIMITATION ON PAYMENTS.—In no
10 case may—

11 (i) the aggregate amount of payments
12 made by the Secretary to States under this
13 section exceed \$100,000,000;

14 (ii) the aggregate amount of payments
15 made by the Secretary to States for ad-
16 ministrative expenses relating to the eval-
17 uations and annual reports required under
18 subparagraphs (A) and (C) of paragraph
19 (2) exceed \$2,000,000 of such
20 \$100,000,000; or

21 (iii) payments be provided by the Sec-
22 retary for a fiscal year after fiscal year
23 2010.

24 (C) FUNDS ALLOCATED TO STATES.—

1 (i) ~~IN GENERAL.~~—The Secretary shall
2 allocate funds to States based on their ap-
3 plications and the availability of funds. In
4 making such allocations, the Secretary
5 shall ensure an equitable distribution of
6 funds among States with large populations
7 and States with small populations.

8 (ii) ~~AVAILABILITY.~~—Funds allocated
9 to a State under a grant made under this
10 section for a fiscal year shall remain avail-
11 able until expended.

12 ~~(D) FUNDS NOT ALLOCATED TO STATES.~~—
13 Funds not allocated to States in the fiscal year
14 for which they are appropriated shall remain
15 available in succeeding fiscal years for alloca-
16 tion by the Secretary using the allocation for-
17 mula established under this section.

18 ~~(E) PAYMENTS TO STATES.~~—The Sec-
19 retary shall pay to each State with a dem-
20 onstration project approved under this section,
21 from its allocation under subparagraph (C), an
22 amount for each quarter equal to the Federal
23 medical assistance percentage (as defined in
24 section 1905(b) of the Social Security Act (42
25 U.S.C. 1395d(b))) of expenditures in the quar-

1 ter for medical assistance provided to children
2 with a potentially severe disability.

3 (d) **RECOMMENDATION.**—Not later than October 1,
4 2005, the Secretary shall submit a recommendation to the
5 Committee on Commerce of the House of Representatives
6 and the Committee on Finance of the Senate regarding
7 whether the demonstration project established under this
8 section should be continued after fiscal year 2007.

9 (e) **STATE DEFINED.**—In this section, the term
10 “State” has the meaning given such term for purposes of
11 title XIX of the Social Security Act (42 U.S.C. 1396 et
12 seq.).

13 **SEC. 5. DEVELOPMENT AND SUPPORT OF FAMILY-TO-FAM-**
14 **ILY HEALTH INFORMATION CENTERS.**

15 Section 501 (42 U.S.C. 701) is amended by adding
16 at the end the following new subsection:

17 “(e)(1) In addition to amounts appropriated under
18 subsection (a) and retained under section 502(a)(1) for
19 the purpose of carrying out activities described in sub-
20 section (a)(2), there is appropriated to the Secretary, out
21 of any money in the Treasury not otherwise appropriated,
22 for the purpose of enabling the Secretary (through grants,
23 contracts, or otherwise) to provide for special projects of
24 regional and national significance for the development and
25 support of family-to-family health information centers de-

1 scribed in paragraph (2), \$10,000,000 for each of fiscal
2 years 2002 through 2007. Funds appropriated under this
3 paragraph shall remain available until expended.

4 “(2) The family-to-family health information centers
5 described in this paragraph are centers that—

6 “(A) assist families of children with disabilities
7 or special health care needs to make informed
8 choices about health care in order to promote good
9 treatment decisions, cost-effectiveness, and improved
10 health outcomes for such children;

11 “(B) provide information regarding the health
12 care needs of, and resources available for, children
13 with disabilities or special health care needs;

14 “(C) identify successful health delivery models
15 for such children;

16 “(D) develop with representatives of health care
17 providers, managed care organizations, health care
18 purchasers, and appropriate State agencies a model
19 for collaboration between families of such children
20 and health professionals;

21 “(E) provide training and guidance regarding
22 caring for such children;

23 “(F) conduct outreach activities to the families
24 of such children, health professionals, schools, and
25 other appropriate entities and individuals; and

1 “(G) are staffed by families of children with
2 disabilities or special health care needs who have ex-
3 pertise in Federal and State public and private
4 health care systems and health professionals.

5 “(3) The provisions of this title that are applicable
6 to the funds made available to the Secretary under section
7 502(a)(1) apply in the same manner to funds made avail-
8 able to the Secretary under paragraph (1).”.

9 **SEC. 6. RESTORATION OF MEDICAID ELIGIBILITY FOR CER-**
10 **TAIN SSI BENEFICIARIES.**

11 (a) **IN GENERAL.**—Section 1902(a)(10)(A)(i)(II) (42
12 U.S.C. 1396a(a)(10)(A)(i)(II)) is amended—

13 (1) by inserting “(aa)” after “(H)”,

14 (2) by striking “or who are” and inserting “,
15 (bb) who are”; and

16 (3) by inserting before the comma at the end
17 the following: “, or (cc) who are under 21 years of
18 age and with respect to whom supplemental security
19 income benefits would be paid under title XVI if
20 subparagraphs (A) and (B) of section 1611(e)(7)
21 were applied without regard to the phrase ‘the first
22 day of the month following’”.

23 (b) **EFFECTIVE DATE.**—The amendments made by
24 subsection (a) shall apply to medical assistance for items
25 and services furnished on or after the first day of the first

1 calendar quarter that begins after the date of enactment
2 of this Act.

3 **SECTION 1. SHORT TITLE; AMENDMENTS TO SOCIAL SECUR-**
4 **RITY ACT; TABLE OF CONTENTS.**

5 (a) *SHORT TITLE.*—*This Act may be cited as the*
6 *“Family Opportunity Act of 2002” or the “Dylan Lee*
7 *James Act”.*

8 (b) *AMENDMENTS TO SOCIAL SECURITY ACT.*—*Except*
9 *as otherwise specifically provided, whenever in this Act an*
10 *amendment is expressed in terms of an amendment to or*
11 *repeal of a section or other provision, the reference shall*
12 *be considered to be made to that section or other provision*
13 *of the Social Security Act.*

14 (c) *TABLE OF CONTENTS.*—*The table of contents of this*
15 *Act is as follows:*

- Sec. 1. Short title; amendments to Social Security Act; table of contents.*
- Sec. 2. Opportunity for families of disabled children to purchase medicaid coverage for such children.*
- Sec. 3. Treatment of inpatient psychiatric hospital services for individuals under age 21 in home or community-based services waivers.*
- Sec. 4. Development and support of family-to-family health information centers.*
- Sec. 5. Restoration of medicaid eligibility for certain SSI beneficiaries.*

16 **SEC. 2. OPPORTUNITY FOR FAMILIES OF DISABLED CHIL-**
17 **DREN TO PURCHASE MEDICAID COVERAGE**
18 **FOR SUCH CHILDREN.**

19 (a) *STATE OPTION TO ALLOW FAMILIES OF DISABLED*
20 *CHILDREN TO PURCHASE MEDICAID COVERAGE FOR SUCH*
21 *CHILDREN.*—

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

3 (A) in subsection (a)(10)(A)(ii)—

4 (i) by striking “or” at the end of sub-
5 clause (XVII);

6 (ii) by adding “or” at the end of sub-
7 clause (XVIII); and

8 (iii) by adding at the end the following
9 new subclause:

10 “(XIX) who are disabled children
11 described in subsection (cc)(1);”;

12 (B) by adding at the end the following new
13 subsection:

14 “(cc)(1) Individuals described in this paragraph are
15 individuals—

16 “(A) who have not attained 18 years of age;

17 “(B) who would be considered disabled under
18 section 1614(a)(3)(C) but for having earnings or
19 deemed income or resources (as determined under title
20 XVI for children) that exceed the requirements for re-
21 ceipt of supplemental security income benefits; and

22 “(C) whose family income does not exceed such
23 income level as the State establishes and does not
24 exceed—

1 “(i) 250 percent of the income official pov-
 2 erty line (as defined by the Office of Management
 3 and Budget, and revised annually in accordance
 4 with section 673(2) of the Omnibus Budget Rec-
 5 onciliation Act of 1981) applicable to a family
 6 of the size involved; or

7 “(ii) such higher percent of such poverty
 8 line as a State may establish, except that—

9 “(I) any medical assistance provided
 10 to an individual whose family income ex-
 11 ceeds 250 percent of such poverty line may
 12 only be provided with State funds; and

13 “(II) no Federal financial participa-
 14 tion shall be provided under section 1903(a)
 15 for any medical assistance provided to such
 16 an individual.”.

17 (2) *INTERACTION WITH EMPLOYER-SPONSORED*
 18 *FAMILY COVERAGE.*—Section 1902(cc) (42 U.S.C.
 19 1396a(cc)), as added by paragraph (1)(B), is amend-
 20 ed by adding at the end the following new paragraph:

21 “(2)(A) If an employer of a parent of an individual
 22 described in paragraph (1) offers family coverage under a
 23 group health plan (as defined in section 2791(a) of the Pub-
 24 lic Health Service Act), the State shall—

1 “(i) require such parent to apply for, enroll in,
2 and pay premiums for, such coverage as a condition
3 of such parent’s child being or remaining eligible for
4 medical assistance under subsection
5 (a)(10)(A)(ii)(XIX) if the parent is determined eligi-
6 ble for such coverage and the employer contributes at
7 least 50 percent of the total cost of annual premiums
8 for such coverage; and

9 “(ii) if such coverage is obtained—

10 “(I) subject to paragraph (2) of section
11 1916(h), reduce the premium imposed by the
12 State under that section in an amount that rea-
13 sonably reflects the premium contribution made
14 by the parent for private coverage on behalf of a
15 child with a disability; and

16 “(II) treat such coverage as a third party
17 liability under subsection (a)(25).

18 “(B) In the case of a parent to which subparagraph
19 (A) applies, a State, subject to paragraph (1)(C)(ii), may
20 provide for payment of any portion of the annual premium
21 for such family coverage that the parent is required to pay.
22 Any payments made by the State under this subparagraph
23 shall be considered, for purposes of section 1903(a), to be
24 payments for medical assistance.”.

1 **(b) STATE OPTION TO IMPOSE INCOME-RELATED PRE-**
2 **MIUMS.**—*Section 1916 (42 U.S.C. 1396o) is amended—*

3 *(1) in subsection (a), by striking “subsection (g)”*
4 *and inserting “subsections (g) and (h)”;* and

5 *(2) by adding at the end the following new sub-*
6 *section:*

7 *“(h)(1) With respect to disabled children provided*
8 *medical assistance under section 1902(a)(10)(A)(ii)(XIX),*
9 *subject to paragraph (2), a State may (in a uniform man-*
10 *ner for such children) require the families of such children*
11 *to pay monthly premiums set on a sliding scale based on*
12 *family income.*

13 *“(2) A premium requirement imposed under para-*
14 *graph (1) may only apply to the extent that—*

15 *“(A) the aggregate amount of such premium and*
16 *any premium that the parent is required to pay for*
17 *family coverage under section 1902(cc)(2)(A)(i) does*
18 *not exceed 5 percent of the family’s income; and*

19 *“(B) the requirement is imposed consistent with*
20 *section 1902(cc)(2)(A)(ii)(I).*

21 *“(3) A State shall not require prepayment of a pre-*
22 *mium imposed pursuant to paragraph (1) and shall not*
23 *terminate eligibility of a child under section*
24 *1902(a)(10)(A)(ii)(XIX) for medical assistance under this*
25 *title on the basis of failure to pay any such premium until*

1 *such failure continues for a period of not less than 60 days*
 2 *from the date on which the premium became past due. The*
 3 *State may waive payment of any such premium in any*
 4 *case where the State determines that requiring such pay-*
 5 *ment would create an undue hardship.”.*

6 (c) *CONFORMING AMENDMENTS.—Section 1903(f)(4)*
 7 *(42 U.S.C. 1396b(f)(4)) is amended in the matter preceding*
 8 *subparagraph (A), by inserting “1902(a)(10)(A)(ii)(XIX),”*
 9 *after “1902(a)(10)(A)(ii)(XVIII),”.*

10 (d) *EFFECTIVE DATE.—The amendments made by this*
 11 *section shall apply to medical assistance for items and serv-*
 12 *ices furnished on or after October 1, 2004.*

13 **SEC. 3. TREATMENT OF INPATIENT PSYCHIATRIC HOSPITAL**
 14 **SERVICES FOR INDIVIDUALS UNDER AGE 21**
 15 **IN HOME OR COMMUNITY-BASED SERVICES**
 16 **WAIVERS.**

17 (a) *IN GENERAL.—Section 1915(c) (42 U.S.C.*
 18 *1396n(c)) is amended—*

19 (1) *in paragraph (1)—*

20 (A) *in the first sentence, by inserting “, or*
 21 *would require inpatient psychiatric hospital*
 22 *services for individuals under age 21,” after “in-*
 23 *termediate care facility for the mentally re-*
 24 *tarded”; and*

1 (B) in the second sentence, by inserting “,
2 or would require inpatient psychiatric hospital
3 services for individuals under age 21” before the
4 period;

5 (2) in paragraph (2)(B), by striking “or services
6 in an intermediate care facility for the mentally re-
7 tarded” each place it appears and inserting “services
8 in an intermediate care facility for the mentally re-
9 tarded, or inpatient psychiatric hospital services for
10 individuals under age 21”;

11 (3) in paragraph (2)(C)—

12 (A) by inserting “, or who are determined
13 to be likely to require inpatient psychiatric hos-
14 pital services for individuals under age 21,”
15 after “, or intermediate care facility for the men-
16 tally retarded”; and

17 (B) by striking “or services in an inter-
18 mediate care facility for the mentally retarded”
19 and inserting “services in an intermediate care
20 facility for the mentally retarded, or inpatient
21 psychiatric hospital services for individuals
22 under age 21”; and

23 (4) in paragraph (7)(A)—

24 (A) by inserting “or would require inpa-
25 tient psychiatric hospital services for individuals

1 *under age 21,” after “intermediate care facility*
 2 *for the mentally retarded,”; and*

3 *(B) by inserting “or who would require in-*
 4 *patient psychiatric hospital services for individ-*
 5 *uals under age 21” before the period.*

6 *(b) EFFECTIVE DATE.—The amendments made by sub-*
 7 *section (a) apply with respect to medical assistance pro-*
 8 *vided on or after January 1, 2003.*

9 **SEC. 4. DEVELOPMENT AND SUPPORT OF FAMILY-TO-FAM-**
 10 **ILY HEALTH INFORMATION CENTERS.**

11 *Section 501 (42 U.S.C. 701) is amended by adding*
 12 *at the end the following new subsection:*

13 *“(c)(1)(A) For the purpose of enabling the Secretary*
 14 *(through grants, contracts, or otherwise) to provide for spe-*
 15 *cial projects of regional and national significance for the*
 16 *development and support of family-to-family health infor-*
 17 *mation centers described in paragraph (2)—*

18 *“(i) there is appropriated to the Secretary, out*
 19 *of any money in the Treasury not otherwise*
 20 *appropriated—*

21 *“(I) \$3,000,000 for fiscal year 2003;*

22 *“(II) \$4,000,000 for fiscal year 2004; and*

23 *“(III) \$5,000,000 for fiscal year 2005; and*

1 “(i) there is authorized to be appropriated to
2 the Secretary, \$5,000,000 for each of fiscal years 2006
3 and 2007.

4 “(B) Funds appropriated or authorized to be appro-
5 priated under subparagraph (A) shall—

6 “(i) be in addition to amounts appropriated
7 under subsection (a) and retained under section
8 502(a)(1) for the purpose of carrying out activities
9 described in subsection (a)(2); and

10 “(ii) remain available until expended.

11 “(2) The family-to-family health information centers
12 described in this paragraph are centers that—

13 “(A) assist families of children with disabilities
14 or special health care needs to make informed choices
15 about health care in order to promote good treatment
16 decisions, cost-effectiveness, and improved health out-
17 comes for such children;

18 “(B) provide information regarding the health
19 care needs of, and resources available for, children
20 with disabilities or special health care needs;

21 “(C) identify successful health delivery models
22 for such children;

23 “(D) develop with representatives of health care
24 providers, managed care organizations, health care
25 purchasers, and appropriate State agencies a model

1 *for collaboration between families of such children*
2 *and health professionals;*

3 *“(E) provide training and guidance regarding*
4 *caring for such children;*

5 *“(F) conduct outreach activities to the families of*
6 *such children, health professionals, schools, and other*
7 *appropriate entities and individuals; and*

8 *“(G) are staffed by families of children with dis-*
9 *abilities or special health care needs who have exper-*
10 *tise in Federal and State public and private health*
11 *care systems and health professionals.*

12 *“(3) The Secretary shall develop family-to-family*
13 *health information centers described in paragraph (2)*
14 *under this subsection in accordance with the following:*

15 *“(A) With respect to fiscal year 2003, such cen-*
16 *ters shall be developed in not less than 25 States.*

17 *“(B) With respect to fiscal year 2004, such cen-*
18 *ters shall be developed in not less than 40 States.*

19 *“(C) With respect to fiscal year 2005, such cen-*
20 *ters shall be developed in not less than 50 States and*
21 *the District of Columbia.*

22 *“(4) The provisions of this title that are applicable to*
23 *the funds made available to the Secretary under section*
24 *502(a)(1) apply in the same manner to funds made avail-*
25 *able to the Secretary under paragraph (1)(A).*

1 “(5) For purposes of this subsection, the term ‘State’
2 means each of the 50 States and the District of Columbia.”.

3 **SEC. 5. RESTORATION OF MEDICAID ELIGIBILITY FOR CER-**
4 **TAIN SSI BENEFICIARIES.**

5 (a) *IN GENERAL.*—Section 1902(a)(10)(A)(i)(II) (42
6 U.S.C. 1396a(a)(10)(A)(i)(II)) is amended—

7 (1) by inserting “(aa)” after “(II)”;

8 (2) by striking “) and” and inserting “and”;

9 (3) by striking “section or who are” and insert-
10 ing “section), (bb) who are”; and

11 (4) by inserting before the comma at the end the
12 following: “, or (cc) who are under 21 years of age
13 and with respect to whom supplemental security in-
14 come benefits would be paid under title XVI if sub-
15 paragraphs (A) and (B) of section 1611(c)(7) were
16 applied without regard to the phrase ‘the first day of
17 the month following’”.

18 (b) *EFFECTIVE DATE.*—The amendments made by sub-
19 section (a) shall apply to medical assistance for items and
20 services furnished on or after the first day of the first cal-
21 endar quarter that begins after the date of enactment of this
22 Act.

Calendar No. 582

107TH CONGRESS
2^D SESSION

S. 321

[Report No. 107-265]

A BILL

To amend title XIX of the Social Security Act to provide families of disabled children with the opportunity to purchase coverage under the medicaid program for such children, and for other purposes.

SEPTEMBER 9, 2002

Reported with an amendment