

108TH CONGRESS  
2D SESSION

# S. 2420

To amend title XXI of the Social Security Act to make all uninsured children eligible for the State children's health insurance program, to encourage States to increase the number of children enrolled in the medicaid and State children's health insurance programs by simplifying the enrollment and renewal procedures for those programs, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MAY 13, 2004

Mr. GRAHAM of Florida introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XXI of the Social Security Act to make all uninsured children eligible for the State children's health insurance program, to encourage States to increase the number of children enrolled in the medicaid and State children's health insurance programs by simplifying the enrollment and renewal procedures for those programs, 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 "SCHIP Expansion Act  
5 of 2004".

1 **SEC. 2. ELIGIBILITY OF ALL UNINSURED CHILDREN FOR**  
 2 **SCHIP.**

3 (a) **IN GENERAL.**—Section 2110(b) of the Social Se-  
 4 curity Act (42 U.S.C. 1397jj(b)) is amended—

5 (1) in paragraph (1)—

6 (A) by striking subparagraph (B); and

7 (B) by redesignating subparagraph (C) as  
 8 subparagraph (B);

9 (2) in paragraph (2)—

10 (A) by striking “include” and all that fol-  
 11 lows through “a child who is an” and inserting  
 12 “include a child who is an”; and

13 (B) by striking the semicolon and all that  
 14 follows through the period and inserting a pe-  
 15 riod; and

16 (3) by striking paragraph (4).

17 (b) **NO EXCLUSION OF CHILDREN WITH ACCESS TO**  
 18 **HIGH-COST COVERAGE.**—Section 2110(b)(3) of the Social  
 19 Security Act (42 U.S.C. 1397jj(b)(3)) is amended—

20 (1) in the paragraph heading, by striking  
 21 “RULE” and inserting “RULES”;

22 (2) by striking “A child” and inserting the fol-  
 23 lowing:

24 “(A) **CERTAIN NON FEDERALLY FUNDED**  
 25 **COVERAGE.**—A child”; and

26 (3) by adding at the end the following:

1           “(B) NO EXCLUSION OF CHILDREN WITH  
2           ACCESS TO HIGH-COST COVERAGE.—A State  
3           shall not exclude a child from being treated as  
4           a targeted vulnerable child who has access to  
5           coverage under a group health plan or health  
6           insurance coverage if the total annual aggregate  
7           cost for premiums, deductibles, cost sharing,  
8           and similar charges imposed under the group  
9           health plan or health insurance coverage with  
10          respect to all targeted vulnerable children in the  
11          child’s family exceeds 5 percent of such family’s  
12          income for the year involved.”.

13          (c) CONFORMING AMENDMENTS.—

14           (1) Titles XIX and XXI of the Social Security  
15          Act (42 U.S.C. 1396 et seq.; 1397aa et. seq.) are  
16          amended by striking “targeted low-income” each  
17          place it appears and inserting “targeted vulnerable”.

18           (2) Section 2102(b)(3)(C) of the Social Security  
19          Act (42 U.S.C. 1397bb(b)(3)(C)) is amended by in-  
20          serting “particularly with respect to children whose  
21          family income exceeds 200 percent of the poverty  
22          line” before the semicolon.

23          (d) EFFECTIVE DATE.—The amendments made by  
24          this section take effect on October 1, 2004.

1 **SEC. 3. INCREASE IN FEDERAL FINANCIAL PARTICIPATION**  
 2 **UNDER SCHIP AND MEDICAID FOR STATES**  
 3 **WITH SIMPLIFIED ENROLLMENT AND RE-**  
 4 **NEWAL PROCEDURES FOR CHILDREN.**

5 (a) SCHIP.—Section 2105(c)(2) of the Social Secu-  
 6 rity Act (42 U.S.C. 1397ee(c)(2)) is amended by adding  
 7 at the end the following:

8 “(C) NONAPPLICATION OF LIMITATION  
 9 AND INCREASE IN FEDERAL PAYMENT FOR  
 10 STATES WITH SIMPLIFIED ENROLLMENT AND  
 11 RENEWAL PROCEDURES.—

12 “(i) IN GENERAL.—Notwithstanding  
 13 subsection (a)(1) and subparagraph (A)—

14 “(I) the limitation under sub-  
 15 paragraph (A) on expenditures for  
 16 items described in subsection  
 17 (a)(1)(D) shall not apply with respect  
 18 to expenditures incurred to carry out  
 19 any of the outreach strategies de-  
 20 scribed in clause (ii), but only if the  
 21 State carries out the same outreach  
 22 strategies for children under title  
 23 XIX; and

24 “(II) the enhanced FMAP for a  
 25 State for a fiscal year otherwise deter-  
 26 mined under subsection (b) shall be

1 increased by 5 percentage points  
 2 (without regard to the application of  
 3 the 85 percent limitation under that  
 4 subsection)) with respect to such ex-  
 5 penditures.

6 “(ii) OUTREACH STRATEGIES DE-  
 7 SCRIBED.—For purposes of clause (i), the  
 8 outreach strategies described in this clause  
 9 are the following:

10 “(I) PRESUMPTIVE ELIGI-  
 11 BILITY.—The State provides for pre-  
 12 sumptive eligibility for children under  
 13 this title and under title XIX.

14 “(II) ADOPTION OF 12-MONTH  
 15 CONTINUOUS ELIGIBILITY.—The  
 16 State provides that eligibility for chil-  
 17 dren shall not be redetermined more  
 18 often than once every year under this  
 19 title or under title XIX.

20 “(III) ELIMINATION OF ASSET  
 21 TEST.—The State does not apply any  
 22 asset test for eligibility under this title  
 23 or title XIX with respect to children.

24 “(IV) PASSIVE RENEWAL.—The  
 25 State provides for the automatic re-

1 newal of the eligibility of children for  
2 assistance under this title and under  
3 title XIX if the family of which such  
4 a child is a member does not report  
5 any changes to family income or other  
6 relevant circumstances, subject to  
7 verification of information from State  
8 databases.”.

9 (b) MEDICAID.—

10 (1) IN GENERAL.—Section 1902(l) of the Social  
11 Security Act (42 U.S.C. 1396a(l)) is amended—

12 (A) in paragraph (3), by inserting “subject  
13 to paragraph (5)”, after “Notwithstanding sub-  
14 section (a)(17),”; and

15 (B) by adding at the end the following:

16 “(5)(A) Notwithstanding the first sentence of section  
17 1905(b), with respect to expenditures incurred to carry  
18 out any of the outreach strategies described in subpara-  
19 graph (B) for individuals under 19 years of age who are  
20 eligible for medical assistance under subsection  
21 (a)(10)(A), the Federal medical assistance percentage is  
22 equal to the enhanced FMAP described in section 2105(b)  
23 and increased under section 2105(c)(2)(C)(i)(II), but only  
24 if the State carries out the same outreach strategies for  
25 children under title XXI.

1       “(B) For purposes of subparagraph (A), the outreach  
2 strategies described in this subparagraph are the fol-  
3 lowing:

4           “(i) PRESUMPTIVE ELIGIBILITY.—The State  
5 provides for presumptive eligibility for such individ-  
6 uals under this title and title XXI.

7           “(ii) ADOPTION OF 12-MONTH CONTINUOUS ELI-  
8 GIBILITY.—The State provides that eligibility for  
9 such individuals shall not be redetermined more  
10 often than once every year under this title or under  
11 title XXI.

12           “(iii) ELIMINATION OF ASSET TEST.—The  
13 State does not apply any asset test for eligibility  
14 under this title or title XXI with respect to such in-  
15 dividuals.

16           “(iv) PASSIVE RENEWAL.—The State provides  
17 for the automatic renewal of the eligibility of such  
18 individuals for assistance under this title and under  
19 title XXI if the family of which such an individual  
20 is a member does not report any changes to family  
21 income or other relevant circumstances, subject to  
22 verification of information from State databases.”.

23           “(2) CONFORMING AMENDMENT.—The first sen-  
24 tence of section 1905(b) of the Social Security Act  
25 (42 U.S.C. 1396d(b)) is amended by striking “sec-

1       tion 1933(d)” and inserting “sections 1902(l)(5)  
2       and 1933(d)”.

3       (c) EFFECTIVE DATE.—The amendments made by  
4 this section take effect on October 1, 2004.

5 **SEC. 4. ELIMINATION OF SCHIP DIP AND INCREASE IN**  
6 **FUNDING.**

7       (a) IN GENERAL.—Section 2104(a) of the Social Se-  
8 curity Act (42 U.S.C. 1397dd(a)) is amended—

9           (1) in paragraphs (5), (6), and (7), by striking  
10       “\$3,150,000,000” each place it appears and insert-  
11       ing “\$4,275,000,000”;

12           (2) in paragraphs (8) and (9), by striking  
13       “\$4,050,000,000” each place it appears and insert-  
14       ing “\$9,050,000,000”; and

15           (3) in paragraph (10), by striking  
16       “\$5,000,000,000” and inserting “\$10,000,000,000”.

17       (b) EFFECTIVE DATE.—The amendments made by  
18 this section take effect on October 1, 2004, and apply to  
19 allotments and redistributions of unused allotments made  
20 on or after that date.

1 **SEC. 5. LIMITATION ON PAYMENTS TO STATES THAT HAVE**  
2 **AN ENROLLMENT CAP BUT HAVE NOT EX-**  
3 **HAUSTED THE STATE'S AVAILABLE ALLOT-**  
4 **MENTS.**

5 (a) IN GENERAL.—Section 2105 of the Social Secu-  
6 rity Act (42 U.S.C. 1397ee) is amended by adding at the  
7 end the following:

8 “(h) LIMITATION ON PAYMENTS TO STATES THAT  
9 HAVE AN ENROLLMENT CAP BUT HAVE NOT EX-  
10 HAUSTED THE STATE'S AVAILABLE ALLOTMENTS.—

11 “(1) IN GENERAL.—Notwithstanding any other  
12 provision of this section, payment shall not be made  
13 to a State under this section if the State has an en-  
14 rollment freeze, enrollment cap, procedures to delay  
15 consideration of, or not to consider, submitted appli-  
16 cations for child health assistance, or a waiting list  
17 for the submission or consideration of such applica-  
18 tions or for such assistance, and the State has not  
19 fully expended the amount of all allotments available  
20 with respect to a fiscal year for expenditure by the  
21 State, including allotments for prior fiscal years that  
22 remain available for expenditure during the fiscal  
23 year under subsection (c) or (g) of section 2104 or  
24 that were redistributed to the State under subsection  
25 (f) or (g) of section 2104.

1           “(2) **RULE OF CONSTRUCTION.**—Paragraph (1)  
2 shall not be construed as prohibiting a State from  
3 establishing regular open enrollment periods for the  
4 submission of applications for child health assist-  
5 ance.”.

6           (b) **EFFECTIVE DATE.**—The amendments made by  
7 this section take effect on October 1, 2004.

8 **SEC. 6. APPLICATION OF MEDICAID MANAGED CARE RE-**  
9 **QUIREMENTS TO SCHIP.**

10          (a) **IN GENERAL.**—Section 2107(e)(1) of the Social  
11 Security Act (42 U.S.C. 1397gg(e)(1)) is amended by add-  
12 ing at the end the following:

13                   “(E) Sections 1903(m) and 1932 (relating  
14 to requirements for managed care).”.

15          (b) **EFFECTIVE DATE.**—The amendment made by  
16 subsection (a) takes effect on October 1, 2004.

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