

110<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1535

To amend titles XIX and XXI of the Social Security Act to ensure that every child in the United States has access to affordable, quality health insurance coverage, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 15, 2007

Mr. DINGELL (for himself, Ms. DEGETTE, Mr. PALLONE, Mr. WAXMAN, Ms. BALDWIN, Mr. ENGEL, Ms. SCHAKOWSKY, Mr. BOUCHER, Ms. ESHOO, Mr. GENE GREEN of Texas, Mr. GONZALEZ, Mr. GORDON of Tennessee, Mrs. CAPPS, Mr. BUTTERFIELD, Mr. MARKEY, Mr. WEINER, Mr. ALLEN, Mr. WYNN, Mr. MELANCON, Ms. MATSUI, Mr. MCNULTY, Ms. HIRONO, and Mr. ROSS) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To amend titles XIX and XXI of the Social Security Act to ensure that every child in the United States has access to affordable, quality health insurance coverage, 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 SECU-**  
4 **RITY ACT; TABLE OF CONTENTS.**

5 (a) SHORT TITLE.—This Act may be cited as the  
6 “Children’s Health First Act”.

1 (b) AMENDMENTS TO SOCIAL SECURITY ACT.—Ex-  
 2 cept as otherwise specifically provided, whenever in this  
 3 Act an amendment is expressed in terms of an amendment  
 4 to or repeal of a section or other provision, the reference  
 5 shall be considered to be made to that section or other  
 6 provision of the Social Security Act.

7 (c) TABLE OF CONTENTS.—The table of contents for  
 8 this Act is as follows:

Sec. 1. Short title; amendments to Social Security Act; table of contents.

#### TITLE I—OPTIONS FOR AFFORDABLE COVERAGE FOR ALL CHILDREN

##### Subtitle A—Expanded Coverage of Children Under SCHIP and Through Employer-Sponsored Coverage

- Sec. 101. State option to expand coverage of children under SCHIP.
- Sec. 102. Authority for States to offer purchase of coverage for uncovered children under SCHIP.
- Sec. 103. Support for employment-based coverage of children eligible for SCHIP or Medicaid.
- Sec. 104. Modification of prohibition on coverage of children of State employees.

##### Subtitle B—Ensuring Dependable Coverage for All Children

- Sec. 111. Improving benchmark coverage options.
- Sec. 112. Requiring coverage of EPSDT services, including dental services, and federally-qualified health services and improving coverage of additional categories of services.
- Sec. 113. Clarification of requirement to provide EPSDT services for all children in benchmark benefit packages under Medicaid.
- Sec. 114. Medicaid-SCHIP Payment Advisory Commission.

##### Subtitle C—Ensuring a Fair Partnership

- Sec. 121. Increase in FMAP for medical assistance for children for States that expand coverage of children.

##### Subtitle D—State Options for Additional Coverage Expansions

- Sec. 131. Optional coverage of older children under Medicaid and SCHIP.
- Sec. 132. Optional coverage of legal immigrants under the Medicaid program and SCHIP.
- Sec. 133. State option to expand or add coverage of certain pregnant women under SCHIP.

#### TITLE II—REMOVAL OF OTHER BARRIERS TO COVERAGE

- Sec. 201. Establishment of new base SCHIP allotments that are responsive to increases in health care costs and enrollment expansions.
- Sec. 202. 2-year initial availability of SCHIP allotments.
- Sec. 203. Redistribution of unused allotments to address State funding shortfalls.
- Sec. 204. Incentives for school-based outreach and enrollment.
- Sec. 205. Medicaid citizenship documentation requirements.
- Sec. 206. State option to provide for “express lane” and simplified determinations of a child’s financial eligibility for medical assistance under Medicaid or child health assistance under SCHIP.
- Sec. 207. Information technology connections to improve health coverage determinations.
- Sec. 208. Encouraging culturally appropriate enrollment practices.
- Sec. 209. Model of Interstate coordinated enrollment and coverage process.
- Sec. 210. Elimination of counting medicaid child presumptive eligibility costs against title XXI allotment.
- Sec. 211. Authority for qualifying States to use portion of SCHIP allotment for any fiscal year for certain medicaid expenditures.
- Sec. 212. Application of Medicaid outreach procedures to all pregnant women and children.

#### TITLE III—EFFECTIVE DATE

- Sec. 301. Effective date.

## 1 **TITLE I—OPTIONS FOR AFFORD-** 2 **ABLE COVERAGE FOR ALL** 3 **CHILDREN**

### 4 **Subtitle A—Expanded Coverage of** 5 **Children Under SCHIP and** 6 **Through Employer-Sponsored** 7 **Coverage**

#### 8 **SEC. 101. STATE OPTION TO EXPAND COVERAGE OF CHIL-** 9 **DREN UNDER SCHIP.**

- 10 (a) OPTION FOR COVERAGE OF CHILDREN UP TO 400  
 11 PERCENT OF POVERTY LINE.—Section 2110(c)(4) (42  
 12 U.S.C. 1397jj(c)(4)) is amended by inserting “(or, at the  
 13 option of the State, any percentage up to 400 percent)”  
 14 after “200 percent”.

1 (b) ENSURING FUNDING FOR STATE ELIGIBILITY  
2 EXPANSION.—

3 (1) IN GENERAL.—Section 2105 (42 U.S.C.  
4 1397dd) is amended by adding at the end the fol-  
5 lowing new subsection:

6 “(i) FUNDING FOR CHILD HEALTH ASSISTANCE FOR  
7 COVERAGE EXPANSION STATES.—

8 “(1) IN GENERAL.—Notwithstanding section  
9 2104, in the case of a State that has elected the op-  
10 tion under section 2110(c)(4) to apply for a calendar  
11 quarter in a fiscal year a percentage that is 400 per-  
12 cent and that meets the requirement of paragraph  
13 (2) (relating to no limitation on enrollment), the al-  
14 lotment determined for the State for such fiscal year  
15 under section 2104 shall be increased by such sums  
16 as are necessary for making payments to the State  
17 for expenditures described in subsection (a)(1).

18 “(2) NO LIMITATION ON ENROLLMENT.—The  
19 requirement of this paragraph with respect to a  
20 State for a calendar quarter is that the State does  
21 not impose, with respect to the enrollment under the  
22 State child health plan of targeted low-income chil-  
23 dren during the quarter, any enrollment cap or other  
24 numerical limitation on enrollment, any waiting list,  
25 any procedures designed to delay the consideration

1 of applications for enrollment, or similar limitation  
2 with respect to enrollment.

3 “(3) APPROPRIATION.—There is appropriated,  
4 out of any money in the Treasury not otherwise ap-  
5 propriated, such sums as may be necessary for the  
6 purpose of paying a State described in paragraph  
7 (1) for each calendar quarter described in such para-  
8 graph, an amount equal to the enhanced FMAP of  
9 expenditures described in such paragraph and in-  
10 curred during such quarter.”.

11 (2) CONFORMING AMENDMENTS.—Section 2104  
12 (42 U.S.C. 1397dd) is amended—

13 (A) in subsection (a), by striking “sub-  
14 section (d)” and inserting “ subsections (d) and  
15 (h) and section 2105(i)”;

16 (B) in subsection (b)(1), by striking “sub-  
17 section (d)” and inserting “ subsections (d) and  
18 (h) and section 2105(i)”;

19 (C) in subsection (c)(1), by striking “sub-  
20 section (d)” and inserting “ subsections (d) and  
21 (h) and section 2105(i)”.

1 **SEC. 102. AUTHORITY FOR STATES TO OFFER PURCHASE**  
2 **OF COVERAGE FOR UNCOVERED CHILDREN**  
3 **UNDER SCHIP.**

4 (a) IN GENERAL.—Title XXI (42 U.S.C. 1397aa et  
5 seq.) is amended by adding at the end the following new  
6 section:

7 **“SEC. 2111. AUTHORITY FOR STATES TO OFFER PURCHASE**  
8 **OF COVERAGE FOR UNCOVERED CHILDREN**  
9 **WHO ARE NOT OTHERWISE ELIGIBLE FOR AS-**  
10 **SISTANCE UNDER SCHIP OR MEDICAID.**

11 “(a) AUTHORITY TO OFFER PURCHASE OF COV-  
12 ERAGE.—

13 “(1) OPTION FOR STATES WITH INCOME ELIGI-  
14 BILITY LEVEL OF AT LEAST 200, BUT NOT 400, PER-  
15 CENT.—Subject to the succeeding provisions of this  
16 section, in the case of a State that meets the re-  
17 quirement of section 2105(i)(2) for a calendar quar-  
18 ter and that has elected to apply an income eligi-  
19 bility level under section 2110(c)(4) that is at least  
20 200 percent, but not 400 percent, of the poverty line  
21 for the calendar quarter, the State may permit dur-  
22 ing the calendar quarter the purchase of coverage  
23 under this title by families, employers, or others  
24 (under the same terms of the plan that apply to tar-  
25 geted low-income children) for an uncovered child

1 who would be eligible to be a targeted low-income  
2 child but whose family income exceeds such level.

3 “(2) REQUIREMENT FOR STATES WITH 400 PER-  
4 CENT INCOME ELIGIBILITY LEVEL.—In the case of a  
5 State that meets the requirement of section  
6 2105(i)(2) for a calendar quarter and that has elect-  
7 ed to apply an income eligibility level under section  
8 2110(e)(4) that is 400 percent of the poverty line  
9 for the calendar quarter, the State shall permit dur-  
10 ing the quarter the purchase of coverage described  
11 in paragraph (1).

12 “(b) COMMUNITY-RATED, ACTUARIALLY BASED  
13 PREMIUM.—The premium imposed for coverage of a child  
14 pursuant to subsection (a) shall not exceed a community-  
15 rated premium that reflects the actuarial average cost of  
16 providing coverage under the State child health plan to  
17 enrollees who are children.

18 “(c) STATE OPTION REGARDING LIMITATION ON  
19 COST-SHARING.—

20 “(1) IN GENERAL.—In the case of children cov-  
21 ered under the plan by reason of purchasing such  
22 coverage pursuant to subsection (a), the State may  
23 elect in applying the limitation on cost-sharing de-  
24 scribed in section 2103(e)(3)(B) (including to chil-  
25 dren who are provided benefits in the manner de-

1 scribed in section 2103(e)(4)) not to apply such limi-  
2 tation with respect to some or all of the premiums  
3 imposed for the purchase of such coverage.

4 “(2) RULE OF CONSTRUCTION.—Nothing in  
5 paragraph (1) shall be construed as prohibiting an  
6 employer from providing an employee with financial  
7 benefits to offset the cost of premiums and cost-  
8 sharing imposed with respect to the purchase of cov-  
9 erage of a child pursuant to subsection (a).

10 “(d) NO FEDERAL MATCHING PAYMENT AVAIL-  
11 ABLE.—No payments shall be made under section 2105(a)  
12 (other than under clauses (iii) and (iv) of paragraph  
13 (1)(D)) with respect to child health assistance provided  
14 under the State child health plan to children covered  
15 under the plan by reason of purchasing such coverage pur-  
16 suant to this section.”.

17 (b) CONFORMING AMENDMENTS.—

18 (1) Section 2110(b)(1)(B) (42 U.S.C.  
19 1397jj(b)(1)(B)) is amended—

20 (A) in clause (i), by striking “or” at the  
21 end;

22 (B) in clause (ii), in the matter before sub-  
23 clause (I), by inserting “who” before “is”;

24 (C) in clause (ii)(III), by striking “and”  
25 and inserting “or”; and

1 (D) by adding at the end the following new  
2 clause:

3 “(iii) who is a child with respect to whom  
4 coverage is purchased under section 2111(a);  
5 and”.

6 (2) Section 2103(e) (42 U.S.C. 1397cc) is  
7 amended—

8 (A) in paragraph (3)(B), by striking “and  
9 (2)” and inserting “, (2), and section 2111(d)”;  
10 and

11 (B) in paragraph (4), by striking “Noth-  
12 ing” and inserting “Subject to 2111(d)(2),  
13 nothing”.

14 **SEC. 103. SUPPORT FOR EMPLOYMENT-BASED COVERAGE**  
15 **OF CHILDREN ELIGIBLE FOR SCHIP OR MED-**  
16 **ICAID.**

17 (a) **SUBSIDIES FOR EMPLOYMENT-BASED COV-**  
18 **ERAGE.—**

19 (1) **UNDER SCHIP.—**Section 2105 (42 U.S.C.  
20 1397ee) is amended—

21 (A) in subsection (a)(1)(D)—

22 (i) by striking “and” at the end of  
23 clause (iii);

24 (ii) by redesignating clause (iv) as  
25 clause (v); and

1 (iii) by inserting after clause (iii) the  
2 following new clause:

3 “(iv) payments for employment-based  
4 coverage under subsection (c)(2)(C); and”;

5 (B) in subsection (c)(2)(A), by inserting  
6 “(other than under clause (iv) of such para-  
7 graph)” after “of such subsection”; and

8 (C) in subsection (c)(2), by adding at the  
9 end the following new subparagraph:

10 “(C) SUBSIDIES FOR EMPLOYMENT-BASED  
11 COVERAGE.—

12 “(i) IN GENERAL.—In the case of a  
13 State that has elected the option under  
14 section 2110(c)(4) to apply for a calendar  
15 quarter a percentage that is 400 percent  
16 and that meets the requirement of sub-  
17 section (i)(2) for the calendar quarter, sub-  
18 ject to clause (ii), the limitation under sub-  
19 paragraph (A) on expenditures shall not  
20 apply to a payment for the provision of  
21 health benefits coverage during the cal-  
22 endar quarter under a group health plan  
23 for an employer premium assistance eligi-  
24 ble child (and to supplemental benefits de-  
25 scribed in subclause (II)) if the State dem-

1                   onstrates to the satisfaction of the Sec-  
2                   retary that—

3                   “(I) the actuarial value of the  
4                   health benefits coverage (as deter-  
5                   mined pursuant to section 2103(c)(4))  
6                   is at least equal to the actuarial value  
7                   of the child health assistance provided  
8                   under the State child health plan for  
9                   children with the same (or com-  
10                  parable) family income and the group  
11                  health plan does not discriminate in  
12                  its coverage of employer premium as-  
13                  sistance eligible children on the basis  
14                  of health status; and

15                  “(II) the State will provide sup-  
16                  plemental benefits for employer pre-  
17                  mium assistance eligible children  
18                  under the State child health plan in  
19                  accordance with section 2110(b)(5) in  
20                  order that such supplemental benefits,  
21                  in combination with such coverage,  
22                  provides the same benefits as would  
23                  be available under the child health  
24                  plan to the child if section

1           2110(b)(1)(C) did not apply to the  
2           child.

3           “(ii) LIMITATION ON FEDERAL  
4           MATCHING PAYMENTS.—No payment shall  
5           be made under subsection (a) with respect  
6           to a payment described in clause (i) for  
7           coverage of a child insofar as the payment  
8           exceeds 50 percent of the amount of ex-  
9           penditures that the State would have oth-  
10          erwise incurred for providing child health  
11          assistance for such child if the child were  
12          a targeted low-income child.

13          “(iii) EMPLOYER PREMIUM ASSIST-  
14          ANCE ELIGIBLE CHILD DEFINED.—For  
15          purposes of clause (i), the term ‘employer  
16          premium assistance eligible child’ means a  
17          child who is covered under a group health  
18          plan, who is not eligible for medical assist-  
19          ance under the State plan under title XIX,  
20          and who would satisfy the requirements for  
21          being a targeted low-income child under  
22          the State child health plan if the condition  
23          described in subparagraph (C) of section  
24          2110(b)(1) did not apply.”.

1           (2) REFERENCE TO EXISTING MEDICAID AU-  
2           THORITY.—For provisions relating to authority of  
3           State Medicaid plan to provide payment to employ-  
4           ers for enrollment of Medicaid-eligible children in a  
5           group health plan, and requiring the continued pro-  
6           vision of medical assistance to supplement coverage  
7           under such plan, see section 1906 of the Social Se-  
8           curity Act (42 U.S.C. 1396e).

9           (b) STATE PROVISION OF SUPPLEMENTAL SCHIP  
10          BENEFITS IN CASE OF CHILDREN COVERED UNDER  
11          GROUP HEALTH PLANS.—

12           (1) IN GENERAL.—Section 2110(b) (42 U.S.C.  
13          1397jj(b)) is amended—

14           (A) in paragraph (1)(C), by inserting “,  
15           subject to paragraph (5),” after “under title  
16           XIX or”; and

17           (B) by adding at the end the following new  
18           paragraph:

19           “(5) STATE PROVISION OF SUPPLEMENTAL  
20          BENEFITS IN CASE OF CHILDREN COVERED UNDER  
21          GROUP HEALTH PLANS.—

22           “(A) REQUIREMENT FOR CHILDREN EN-  
23          ROLLED UNDER SUBSIDIZED EMPLOYMENT-  
24          BASED COVERAGE.—In the case of a State that  
25          provides payment under section 2105(c)(2)(C)

1 for health benefits coverage for a child enrolled  
2 in a group health plan, the requirement of  
3 paragraph (1)(C) shall not apply to such child,  
4 but the child health assistance under this title  
5 shall be limited to—

6 “(i) benefits for items or services that  
7 are not covered, or are only partially cov-  
8 ered, under such plan; and

9 “(ii) protection against incurring out-  
10 of-pocket costs (including premiums) in ex-  
11 cess of the limitations otherwise applicable  
12 to a targeted low-income child with the  
13 same family income.

14 “(B) OPTION FOR OTHER CHILDREN.—  
15 For children not described in subparagraph (A),  
16 a State may waive the requirement of para-  
17 graph (1)(C), with respect to children within  
18 one or more classes or categories of children  
19 specified by the State, in the case of a child  
20 covered under a group health plan in order to  
21 provide child health assistance—

22 “(i) for items or services that are not  
23 covered, or are only partially covered,  
24 under such plan; or

1           “(ii) to protect against incurred out-  
2           of-pocket costs (including premiums) ex-  
3           ceeding the limitations otherwise applicable  
4           to a targeted low-income child with the  
5           same family income.

6           “(C) ELIGIBILITY.—In applying subpara-  
7           graph (B), a State may limit the application of  
8           the waiver under such subparagraph to children  
9           whose family income does not exceed a level  
10          specified by the State, which may not exceed  
11          the maximum income level otherwise established  
12          for other children under the State child health  
13          plan.

14          “(D) CONTINUED APPLICATION OF DUTY  
15          TO PREVENT SUBSTITUTION OF EXISTING COV-  
16          ERAGE.—Nothing in this paragraph shall be  
17          construed as modifying the application of sec-  
18          tion 2102(b)(3)(C) to a State.”.

19          (2) APPLICATION OF ENHANCED MATCH UNDER  
20          MEDICAID.—Section 1905 (42 U.S.C. 1396d) is  
21          amended—

22                 (A) in subsection (b), in the fourth sen-  
23                 tence, by striking “subsection (u)(3)” and in-  
24                 serting “(u)(3), or (u)(4)”; and

1 (B) in subsection (u), by redesignating  
2 paragraph (4) as paragraph (5) and by insert-  
3 ing after paragraph (3) the following new para-  
4 graph:

5 “(4) For purposes of subsection (b), the expenditures  
6 described in this paragraph are expenditures for items and  
7 services for children described in section 2110(b)(5).”.

8 (3) APPLICATION OF SECONDARY PAYOR PROVI-  
9 SIONS.—Section 2107(e)(1) (42 U.S.C.  
10 1397gg(e)(1)) is amended—

11 (A) by redesignating subparagraphs (B)  
12 through (D) as subparagraphs (C) through (E),  
13 respectively; and

14 (B) by inserting after subparagraph (A)  
15 the following new subparagraph:

16 “(B) Section 1902(a)(25) (relating to co-  
17 ordination of benefits and secondary payor pro-  
18 visions) with respect to benefits provided under  
19 section 2110(b)(5).”.

20 **SEC. 104. MODIFICATION OF PROHIBITION ON COVERAGE**  
21 **OF CHILDREN OF STATE EMPLOYEES.**

22 Section 2110(b)(2)(B) (42 U.S.C. 1397jj(b)(2)) is  
23 amended—

24 (1) by striking “is eligible” and inserting  
25 “would be eligible”; and

1           (2) by inserting “(as in effect on March 1,  
2           2007)” after “plan”.

3           **Subtitle B—Ensuring Dependable**  
4           **Coverage for All Children**

5           **SEC. 111. IMPROVING BENCHMARK COVERAGE OPTIONS.**

6           (a) LIMITATION ON USE OF SECRETARY-APPROVED  
7           COVERAGE.—Section 2103(a)(4) (42 U.S.C.  
8           1397cc(a)(4)) is amended by striking the period at the end  
9           and inserting “, but only if such determination was made  
10          before March 1, 2007.”.

11          (b) REQUIREMENT FOR MOST POPULAR FAMILY  
12          COVERAGE FOR STATE EMPLOYEE COVERAGE BENCH-  
13          MARK.—Section 2103(b)(2) (42 U.S.C. 1397(b)(2)) is  
14          amended—

15               (1) by striking “A health benefits coverage  
16               plan” and inserting “The health benefits coverage  
17               plan”; and

18               (2) by inserting “and that has been selected the  
19               most, by employees seeking dependent coverage,  
20               among such plans that provide such dependent cov-  
21               erage, in either of the previous 2 plan years” before  
22               the period.

1 **SEC. 112. REQUIRING COVERAGE OF EPSDT SERVICES, IN-**  
2 **CLUDING DENTAL SERVICES, AND FEDER-**  
3 **ALLY-QUALIFIED HEALTH SERVICES AND IM-**  
4 **PROVING COVERAGE OF ADDITIONAL CAT-**  
5 **EGORIES OF SERVICES.**

6 (a) ADDITIONAL REQUIRED SERVICES.—

7 (1) REQUIRED COVERAGE OF EPSDT SERVICES,  
8 INCLUDING DENTAL SERVICES.—Section 2103(c)  
9 (42 U.S.C. 1397cc(c)) is amended—

10 (A) by redesignating paragraph (5) as  
11 paragraph (6); and

12 (B) by inserting after paragraph (4), the  
13 following:

14 “(5) OTHER REQUIRED SERVICES.—The child  
15 health assistance provided to a targeted low-income  
16 child shall include coverage of the following:

17 “(A) EPSDT SERVICES, INCLUDING DEN-  
18 TAL SERVICES.—Early and periodic screening,  
19 diagnostic, and treatment services described in  
20 subsections (a)(4)(B) and (r) of section 1905  
21 and provided in accordance with section  
22 1903(a)(43) (including dental services that are  
23 necessary to prevent disease and promote oral  
24 health, restore oral structures to health and  
25 function, and treat emergency conditions).”.

1           (2) REQUIRED COVERAGE OF FQHC AND RHC  
2 SERVICES.—Section 2103(c)(5) (42 U.S.C.  
3 1397cc(c)(5)) (as added by subsection (a)), is  
4 amended by adding at the end the following:

5           “(B) FQHC AND RHC SERVICES.—Feder-  
6 ally-qualified health center services (as defined  
7 in section 1905(l)(2)) and rural health clinic  
8 services (as defined in section 1905(l)(1)).”.

9           (3) ASSURING ACCESS TO CARE.—

10           (A) STATE CHILD HEALTH PLAN REQUIRE-  
11 MENT.—Section 2102(a)(7)(B) (42 U.S.C.  
12 1397bb(c)(2)) is amended by inserting “and  
13 services described in section 2103(c)(5)” after  
14 “emergency services”.

15           (B) ANNUAL REPORT.—Section 2108(a)(1)  
16 (42 U.S.C. 1397hh(a)(1)) is amended—

17           (i) by striking “including the  
18 progress” and inserting “including—

19 “(A) the progress”; and

20           (ii) by adding at the end the fol-  
21 lowing:

22           “(B) the extent to which the operation of  
23 such plan ensures access, comparable to access  
24 under employer-sponsored or other private  
25 health insurance coverage (or in the case of fed-

1 erally-qualified health center services (as de-  
2 fined in section 1905(l) (2)) and rural health  
3 clinic services (as defined in section 1905(l)(1)),  
4 access comparable to the access to such services  
5 under title XIX), for child health assistance to  
6 targeted low-income children consistent with the  
7 provisions of this title; and”.

8 (4) CONFORMING AMENDMENT.—Section  
9 2103(a) (42 U.S.C. 1397cc(a)) is amended, in the  
10 matter preceding paragraph (1), by striking “sub-  
11 section (e)(5)” and inserting “paragraphs (5) and  
12 (6) of subsection (e)”.

13 (b) 100 PERCENT ACTUARIAL VALUE FOR ADDI-  
14 TIONAL SERVICES INCLUDED IN BENCHMARK PACK-  
15 AGE.—Section 2103(a)(2)(C) (42 U.S.C.  
16 1397cc(a)(2)(C)) is amended by striking “75 percent” and  
17 inserting “100 percent”.

18 **SEC. 113. CLARIFICATION OF REQUIREMENT TO PROVIDE**  
19 **EPSDT SERVICES FOR ALL CHILDREN IN**  
20 **BENCHMARK BENEFIT PACKAGES UNDER**  
21 **MEDICAID.**

22 (a) IN GENERAL.—Section 1937(a)(1), as inserted by  
23 section 6044(a) of the Deficit Reduction Act of 2005, is  
24 amended—

25 (1) in subparagraph (A)—

1 (A) in the matter before clause (i), by in-  
2 serting “subject to subparagraph (E),” after  
3 “Notwithstanding any other provision of this  
4 title”; and

5 (B) by striking “enrollment in coverage  
6 that provides” and all that follows and inserting  
7 “benchmark coverage described in subsection  
8 (b)(1) or benchmark equivalent coverage de-  
9 scribed in subsection (b)(2).”;

10 (2) by striking subparagraph (C) and inserting  
11 the following new subparagraph:

12 “(C) STATE OPTION TO PROVIDE ADDI-  
13 TIONAL BENEFITS.—A State, at its option, may  
14 provide such additional benefits to benchmark  
15 coverage described in subsection (b)(1) or  
16 benchmark equivalent coverage described in  
17 subsection (b)(2) as the State may specify.”;  
18 and

19 (3) by adding at the end the following new sub-  
20 paragraph:

21 “(E) REQUIRING COVERAGE OF EPSDT  
22 SERVICES.—Nothing in this paragraph shall be  
23 construed as affecting a child’s entitlement to  
24 care and services described in subsections  
25 (a)(4)(B) and (r) of section 1905 and provided

1 in accordance with section 1903(a)(43) whether  
 2 provided through benchmark coverage, bench-  
 3 mark equivalent coverage, or otherwise.”.

4 (b) EFFECTIVE DATE.—The amendments made by  
 5 this subsection shall take effect as if included in the  
 6 amendment made by section 6044(a) of the Deficit Reduc-  
 7 tion Act of 2005.

8 **SEC. 114. MEDICAID-SCHIP PAYMENT ADVISORY COMMIS-**  
 9 **SION.**

10 Title XIX (42 U.S.C. 1396 et seq.) is amended by  
 11 inserting before section 1901 the following new section:

12 “MEDICAID-SCHIP PAYMENT ADVISORY COMMISSION

13 “SEC. 1900. (a) ESTABLISHMENT.—There is hereby  
 14 established the Medicaid-SCHIP Payment Advisory Com-  
 15 mission (in this section referred to as the ‘Commission’).

16 “(b) DUTIES.—

17 “(1) REVIEW OF PAYMENT POLICIES AND AN-  
 18 NUAL REPORTS.—The Commission shall—

19 “(A) review payment policies of the Med-  
 20 icaid program established under this title (in  
 21 this section referred to as ‘Medicaid’) and the  
 22 State Children’s Health Insurance Program es-  
 23 tablished under title XXI (in this section re-  
 24 ferred to as ‘SCHIP’), including topics de-  
 25 scribed in paragraph (2);

1           “(B) make recommendations to Congress  
2 concerning such payment policies;

3           “(C) by not later than March 1 of each  
4 year, submit a report to Congress containing  
5 the results of such reviews and its recommenda-  
6 tions concerning such policies; and

7           “(D) by not later than June 1 of each  
8 year, submit a report to Congress containing an  
9 examination of issues affecting Medicaid and  
10 SCHIP, including the implications of changes  
11 in health care delivery in the United States and  
12 in the market for health care services on such  
13 programs.

14           “(2) SPECIFIC TOPICS TO BE REVIEWED.—Spe-  
15 cifically, the Commission shall review the following:

16           “(A) The factors affecting expenditures for  
17 services in different sectors (such as physician,  
18 hospital and other sectors), payment methodolo-  
19 gies, and their relationship to access and qual-  
20 ity of care for Medicaid and SCHIP bene-  
21 ficiaries.

22           “(B) The affects of Medicaid and SCHIP  
23 payment policies on access to services for chil-  
24 dren and other Medicaid and SCHIP popu-  
25 lations.

1           “(3) COMMENTS ON CERTAIN SECRETARIAL RE-  
2           PORTS.—If the Secretary submits to Congress (or a  
3           committee of Congress) a report that is required by  
4           law and that relates to payment policies under Med-  
5           icaid or SCHIP, the Secretary shall transmit a copy  
6           of the report to the Commission. The Commission  
7           shall review the report and, not later than 6 months  
8           after the date of submittal of the Secretary’s report  
9           to Congress, shall submit to the appropriate commit-  
10          tees of Congress written comments on such report.  
11          Such comments may include such recommendations  
12          as the Commission deems appropriate.

13           “(4) AGENDA AND ADDITIONAL REVIEWS.—The  
14          Commission shall consult periodically with the  
15          Chairmen and Ranking Minority Members of the ap-  
16          propriate committees of Congress regarding the  
17          Commission’s agenda and progress towards achiev-  
18          ing the agenda. The Commission may conduct addi-  
19          tional reviews, and submit additional reports to the  
20          appropriate committees of Congress, from time to  
21          time on such topics relating to the program under  
22          this title or title XXI as may be requested by such  
23          Chairmen and Members and as the Commission  
24          deems appropriate.

1           “(5) AVAILABILITY OF REPORTS.—The Com-  
2 mission shall transmit to the Secretary a copy of  
3 each report submitted under this subsection and  
4 shall make such reports available to the public.

5           “(6) APPROPRIATE COMMITTEE OF CON-  
6 GRESS.—For purposes of this section, the term ‘ap-  
7 propriate committees of Congress’ means the Com-  
8 mittees on Energy and Commerce of the House of  
9 Representatives and the Committee on Finance of  
10 the Senate.

11           “(7) VOTING AND REPORTING REQUIRE-  
12 MENTS.—With respect to each recommendation con-  
13 tained in a report submitted under paragraph (1),  
14 each member of the Commission shall vote on the  
15 recommendation, and the Commission shall include,  
16 by member, the results of that vote in the report  
17 containing the recommendation.

18           “(8) EXAMINATION OF BUDGET CON-  
19 SEQUENCES.—Before making any recommendations,  
20 the Commission shall examine the budget con-  
21 sequences of such recommendations, directly or  
22 through consultation with appropriate expert enti-  
23 ties.

24           “(c) APPLICATION OF PROVISIONS.—The following  
25 provisions of section 1805 shall apply to the Commission

1 in the same manner as they apply to the Medicare Pay-  
2 ment Advisory Commission:

3 “(1) Subsection (c) (relating to membership).

4 “(2) Subsection (d) (relating to staff and con-  
5 sultants).

6 “(3) Subsection (e) (relating to powers).

7 “(d) AUTHORIZATION OF APPROPRIATIONS.—

8 “(1) REQUEST FOR APPROPRIATIONS.—The  
9 Commission shall submit requests for appropriations  
10 in the same manner as the Comptroller General sub-  
11 mits requests for appropriations, but amounts ap-  
12 propriated for the Commission shall be separate  
13 from amounts appropriated for the Comptroller Gen-  
14 eral.

15 “(2) AUTHORIZATION.—There are authorized to  
16 be appropriated such sums as may be necessary to  
17 carry out the provisions of this section.”

18 **Subtitle C—Ensuring a Fair**  
19 **Partnership**

20 **SEC. 121. INCREASE IN FMAP FOR MEDICAL ASSISTANCE**  
21 **FOR CHILDREN FOR STATES THAT EXPAND**  
22 **COVERAGE OF CHILDREN.**

23 Section 1905 (42 U.S.C. 1396d) is amended—

24 (1) in subsection (b), in the first sentence—

1 (A) by striking “and (4)” and inserting  
2 “(4)”; and

3 (B) by inserting “, and (5) in the case of  
4 a State that is described in subsection (y)(1)  
5 and section 2105(i)(1) for a calendar quarter,  
6 notwithstanding the previous clauses of this  
7 sentence, the Federal medical assistance per-  
8 centage with respect to medical assistance pro-  
9 vided to children shall be increased by the num-  
10 ber of percentage points determined under sub-  
11 section (y)(4)” before the period; and

12 (2) by adding at the end the following new sub-  
13 section:

14 “(y) DETERMINATION OF INCREASE IN FMAP FOR  
15 MEDICAL ASSISTANCE FOR CHILDREN FOR STATES THAT  
16 EXPAND COVERAGE OF CHILDREN.—

17 “(1) STATE DESCRIBED.—For purposes of  
18 clause (5) of the first sentence of subsection (b), a  
19 State described in this paragraph is a State that—

20 “(A) meets the continuous eligibility re-  
21 quirement of paragraph (2); and

22 “(B) has implemented model outreach and  
23 enrollment practices in accordance with at least  
24 3 subparagraphs of paragraph (3) (relating to

1 coverage of children under this title and title  
2 XXI).

3 “(2) CONTINUOUS ELIGIBILITY REQUIRE-  
4 MENT.—The requirement of this paragraph is that  
5 the State has elected the option of continuous eligi-  
6 bility for a full 12 months for children described in  
7 section 1902(e)(12) under this title, as well as ap-  
8 plying such policy under its State child health plan  
9 under title XXI.

10 “(3) MODEL OUTREACH AND ENROLLMENT  
11 PRACTICES.—

12 “(A) APPLICATION OUTREACH PROCESS.—  
13 The State makes available to parents and care-  
14 taker relatives of children, in English and other  
15 languages that shall be required by the Sec-  
16 retary to comply with title VI of the Civil  
17 Rights Act of 1964, information regarding ap-  
18 plying, and upon request, an application, for  
19 medical assistance for children under this title  
20 and for child health assistance under title XXI  
21 consistent with the following:

22 “(i) POSTING OF AVAILABILITY OF IN-  
23 FORMATION.—An announcement con-  
24 cerning the availability of such information  
25 and applications is posted in a conspicuous

1 manner at a location that is easily acces-  
2 sible to the public—

3 “(I) in each hospital in the State  
4 that is a participating provider under  
5 the State child health plan under title  
6 XXI or under the State plan under  
7 this title;

8 “(II) in each public elementary  
9 and secondary school in the State;  
10 and

11 “(III) in the facility of each pub-  
12 lic health care provider in the State,  
13 including federally-qualified health  
14 centers and rural health centers, par-  
15 ticipating under such State child  
16 health plan or under this title.

17 “(ii) YEAR-ROUND AVAILABILITY OF  
18 APPLICATIONS.—Such applications are  
19 made available in such locations on an on-  
20 going basis.

21 “(iii) ANNUAL ENROLLMENT CAM-  
22 PAIGN IN SCHOOLS.—An outreach and en-  
23 rollment campaign is conducted at least  
24 annually in such public elementary and  
25 secondary schools, during which informa-

1           tion concerning enrollment of children is  
2           sent to the homes of children.

3           “(iv) OUTSTATIONING OR TRAINING  
4           OF STAFF FOR INITIAL PROCESSING.—Pro-  
5           viding for the receipt and initial processing  
6           of any such application at each facility  
7           specified in section 1902(a)(55) and at  
8           each school described in clause (i)(II) in  
9           which not less than 30 percent of the stu-  
10          dents are eligible for free or reduced lunch  
11          under the Richard D. Russell National  
12          School Lunch Act, through—

13                   “(I) the stationing at such facil-  
14                   ity or school of State or local agency  
15                   personnel to determine eligibility for  
16                   such assistance; or

17                   “(II) upon request of the facility  
18                   or school, the training and certifi-  
19                   cation of personnel of such facility or  
20                   school (and access to necessary auto-  
21                   mated data systems) to make such  
22                   initial eligibility determinations.

23          “(B) ONE-STEP APPLICATION PROCESS.—

24                   “(i) IN GENERAL.—The State pro-  
25                   vides for either or both of the following:

1                   “(I) The one-step enrollment  
2                   process described in clause (ii).

3                   “(II) The express lane process  
4                   described in clause (iii).

5                   “(ii) ONE-STEP APPLICATION PROC-  
6                   CESS (SINGLE APPLICATION FOR MULTIPLE  
7                   PUBLIC ASSISTANCE PROGRAMS).—The  
8                   State treats an application for assistance  
9                   for or on behalf of a child (who has not  
10                  otherwise been determined eligible for as-  
11                  sistance under this title or title XXI)  
12                  under any public assistance program ad-  
13                  ministered by another Federal or State  
14                  agency, including the agencies admin-  
15                  istering the Food Stamp Act of 1977, the  
16                  Richard B. Russell National School Lunch  
17                  Act, and the Child Nutrition Act of 1966,  
18                  notwithstanding any differences in budget  
19                  unit, disregard, deeming, or other method-  
20                  ology, as an application for medical assist-  
21                  ance under this title for the child, or for  
22                  child health assistance under title XXI, but  
23                  only if—

24                                   “(I) such agency has fiscal liabil-  
25                                   ities under such program that are af-

1                    fected or potentially affected by such  
2                    determinations; and

3                    “(II) any information furnished  
4                    by such agency pursuant to this  
5                    clause is kept confidential (except  
6                    from the applicant and the applicant’s  
7                    parent or caretaker relative) and is  
8                    used solely for purposes of deter-  
9                    mining eligibility for medical assist-  
10                    ance under this title or for child  
11                    health assistance under title XXI.

12                    “(iii) EXPRESS LANE PROCESS (AC-  
13                    CEPTANCE OF INCOME-RELATED DETER-  
14                    MINATIONS FOR OTHER ASSISTANCE PRO-  
15                    GRAMS).—The State is implementing the  
16                    option provided under section 1902(e)(13)  
17                    under title XIX, as well as under this title  
18                    pursuant to section 2107(e)(1)(C).

19                    “(C) ADMINISTRATIVE VERIFICATION OF  
20                    INCOME.—The State permits a parent or care-  
21                    taker relative of a child applying for medical as-  
22                    sistance under this title or child health assist-  
23                    ance under title XXI to declare and certify by  
24                    signature under penalty of perjury information  
25                    relating to family income, assets, expenses, and

1 other financial information for purposes of de-  
2 termining and redetermining financial eligibility  
3 and not to routinely require an in-person inter-  
4 view, except in cases justified by individual cir-  
5 cumstances. Nothing in this subparagraph shall  
6 be construed as preventing a State from taking  
7 steps to verify information provided or to seek  
8 further information and documentation from  
9 applicants in individual cases in the case of dis-  
10 crepancies or where otherwise justified.

11 “(D) SIMPLIFIED, CONSISTENT APPLICA-  
12 TION FORM AND PROCESS.—The State uses an  
13 application form and process consistent with  
14 the following:

15 “(i) The application forms and mate-  
16 rials are in such languages in addition to  
17 English as shall be required by the Sec-  
18 retary to comply with title VI of the Civil  
19 Rights Act of 1964.

20 “(ii) The application form and supple-  
21 mental forms (if any) and information  
22 verification process is the same for pur-  
23 poses of establishing and renewing eligi-  
24 bility for children for medical assistance

1 under this title and child health assistance  
2 under title XXI.

3 “(iii) The process does not require an  
4 application to be made in person or a face-  
5 to-face interview, unless there are discrep-  
6 ancies or individual circumstances justi-  
7 fying an in-person application or face-to-  
8 face interview.

9 “(E) USE OF ADMINISTRATIVE RE-  
10 NEWAL.—

11 “(i) IN GENERAL.—The State pro-  
12 vides, in the case of renewal of a child’s  
13 eligibility for medical assistance under this  
14 title or child health assistance under title  
15 XXI, that notice is provided to the parent  
16 or caretaker relative of the child that eligi-  
17 bility of the child will be renewed and con-  
18 tinued based on the information available  
19 to the State unless the State is provided  
20 other information.

21 “(ii) SATISFACTION THROUGH DEM-  
22 ONSTRATED USE OF EX PARTE PROCESS.—  
23 A State shall be treated as satisfying the  
24 requirement of clause (i) if renewal of eli-  
25 gibility of children under this title or title

1           XXI is determined on an ex parte basis,  
2           without any requirement for an in-person  
3           interview, unless sufficient information is  
4           not in the State’s possession and cannot be  
5           acquired from other sources (including  
6           other State agencies) without the partici-  
7           pation of the applicant or the applicant’s  
8           parent or caretaker relative.

9           “(F) APPLICATION OF PRESUMPTIVE ELI-  
10          GIBILITY.—The State has implemented the op-  
11          tion, for purposes of both this title and title  
12          XXI, of applying presumptive eligibility provi-  
13          sions under sections 1920, 1920A, and  
14          2107(e)(1)(G).

15          “(4) DETERMINATION OF INCREASE.—

16               “(A) IN GENERAL.—For purposes of  
17               clause (5) of the first sentence of subsection  
18               (b), in the case of a State described in such  
19               clause, the number of percentage points deter-  
20               mined under this paragraph is equal to the  
21               product of the phase-in percentage for the State  
22               (specified under subparagraph (B)) multiplied  
23               by the number of percentage points by which  
24               the Federal medical assistance percentage de-  
25               termined for the State under subsection (b)

1 (without regard to clause (5) of such sub-  
2 section) is less than the enhanced FMAP de-  
3 scribed in section 2105(b).

4 “(B) PHASE-IN PERCENTAGE.—For pur-  
5 poses of subparagraph (A), the phase-in per-  
6 centage specified in this subparagraph for a  
7 State for a fiscal year is equal to—

8 “(i) the number of percentage points  
9 by which—

10 “(I) the income level established  
11 by the State under the most recent  
12 plan amendment of such State re-  
13 ferred to in section 1905(b)(5), ex-  
14 pressed in terms of a number of per-  
15 centage points of the official poverty  
16 line; exceeds

17 “(II) the applicable income level  
18 established by the State as of January  
19 1, 2007, expressed in terms of a num-  
20 ber of percentage points of the official  
21 poverty line, in order to be a targeted  
22 low-income child under the State plan  
23 under title XXI; divided by

24 “(ii) the number of percentage points  
25 by which 400 exceeds the applicable in-

1                   come level (expressed in percentage points)  
2                   described in clause (i)(II).

3                   “(5) INCREASE IN CAP ON PAYMENTS TO TER-  
4                   RITORIES.—If Puerto Rico, the Virgin Islands,  
5                   Guam, the Northern Mariana Islands, or American  
6                   Samoa qualify for an increase under subsection  
7                   (b)(5) for a calendar quarter for a fiscal year, the  
8                   additional Federal financial participation under this  
9                   title that results from enrollment of additional chil-  
10                  dren under this title for such fiscal year because of  
11                  the exercise of such option shall not be counted to-  
12                  wards the limitation on expenditures under this title  
13                  for such commonwealth or territory otherwise deter-  
14                  mined under subsections (f) and (g) of section 1108.

15                  “(6) SCOPE OF APPLICATION.—The increase in  
16                  the Federal medical assistance percentage under  
17                  subsection (b)(5) shall only apply for purposes of  
18                  payments under section 1903 with respect to med-  
19                  ical assistance provided to children and shall not  
20                  apply with respect to—

21                         “(A) disproportionate share hospital pay-  
22                         ments described in section 1923;

23                         “(B) payments under title IV or XXI; or

1           “(C) any payments under this title that  
2           are based on the enhanced FMAP described in  
3           section 2105(b).

4           “(7) RULE OF CONSTRUCTION.—Nothing in  
5           this subsection shall be construed as preventing a  
6           State from implementing any of the model outreach  
7           and enrollment practices described in paragraph (3),  
8           notwithstanding that the State may not qualify for  
9           an increase in the Federal medical assistance per-  
10          centage under subsection (b)(5).”.

11           **Subtitle D—State Options for**  
12           **Additional Coverage Expansions**

13           **SEC. 131. OPTIONAL COVERAGE OF OLDER CHILDREN**  
14           **UNDER MEDICAID AND SCHIP.**

15           (a) MEDICAID.—

16           (1) IN GENERAL.—Section 1902(l)(1)(D) (42  
17           U.S.C. 1396a(l)(1)(D)) is amended by inserting  
18           “(or, at the election of a State, 20, 21, 22, 23, 24,  
19           or 25 years of age)” after “19 years of age”.

20           (2) CONFORMING AMENDMENTS.—

21           (A) Section 1902(e)(3)(A) (42 U.S.C.  
22           1396a(e)(3)(A)) is amended by inserting “(or 1  
23           year less than the age the State has elected  
24           under subsection (l)(1)(D))” after “18 years of  
25           age”.

1 (B) Section 1902(e)(12) (42 U.S.C.  
2 1396a(e)(12)) is amended by inserting “or such  
3 higher age as the State has elected under sub-  
4 section (l)(1)(D)” after “19 years of age”.

5 (C) Section 1920A(b)(1) (42 U.S.C.  
6 1396r-1a(b)(1)) is amended by inserting “or  
7 such higher age as the State has elected under  
8 section 1902(l)(1)(D)” after “19 years of age”.

9 (D) Section 1928(h)(1) (42 U.S.C.  
10 1396s(h)(1)) is amended by inserting “or 1  
11 year less than the age the State has elected  
12 under section 1902(l)(1)(D)” before the period  
13 at the end.

14 (E) Section 1932(a)(2)(A) (42 U.S.C.  
15 1396u-2(a)(2)(A)) is amended by inserting  
16 “(or such higher age as the State has elected  
17 under section 1902(l)(1)(D))” after “19 years  
18 of age”.

19 (b) TITLE XXI.—Section 2110(e)(1) (42 U.S.C.  
20 1397jj(c)(1)) is amended by inserting “(or such higher age  
21 as the State has elected under section 1902(l)(1)(D))”.

22 **SEC. 132. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS**  
23 **UNDER THE MEDICAID PROGRAM AND SCHIP.**

24 (a) MEDICAID PROGRAM.—Section 1903(v) (42  
25 U.S.C. 1396b(v)) is amended—

1           (1) in paragraph (1), by striking “paragraph  
2           (2)” and inserting “paragraphs (2) and (4)”; and

3           (2) by adding at the end the following new  
4           paragraph:

5           “(4)(A) A State may elect (in a plan amendment  
6 under this title) to provide medical assistance under this  
7 title, notwithstanding sections 401(a), 402(b), 403, and  
8 421 of the Personal Responsibility and Work Opportunity  
9 Reconciliation Act of 1996, for aliens who are lawfully re-  
10 siding in the United States (including battered aliens de-  
11 scribed in section 431(c) of such Act) and who are other-  
12 wise eligible for such assistance, within either or both of  
13 the following eligibility categories:

14           “(i) PREGNANT WOMEN.—Women during preg-  
15 nancy (and during the 60-day period beginning on  
16 the last day of the pregnancy).

17           “(ii) CHILDREN.—Individuals under 21 years of  
18 age, including optional targeted low-income children  
19 described in section 1905(u)(2)(B).

20           “(B) In the case of a State that has elected to provide  
21 medical assistance to a category of aliens under subpara-  
22 graph (A), no debt shall accrue under an affidavit of sup-  
23 port against any sponsor of such an alien on the basis  
24 of provision of assistance to such category and the cost

1 of such assistance shall not be considered as an unreim-  
2 bursed cost.”.

3 (b) SCHIP.—Section 2107(e)(1) (42 U.S.C.  
4 1397gg(e)(1)), as amended by section 103(b)(3), is  
5 amended by redesignating subparagraphs (D) and (E) as  
6 subparagraph (E) and (F), respectively, and by inserting  
7 after subparagraph (C) the following new subparagraph:

8 “(D) Section 1903(v)(4)(A)(ii) (relating to  
9 optional coverage of categories of lawfully resid-  
10 ing immigrant children), but only if the State  
11 has elected to apply such section to the cat-  
12 egory of children under title XIX.”.

13 **SEC. 133. STATE OPTION TO EXPAND OR ADD COVERAGE**  
14 **OF CERTAIN PREGNANT WOMEN UNDER**  
15 **SCHIP.**

16 (a) SCHIP.—

17 (1) COVERAGE.—Title XXI (42 U.S.C. 1397aa  
18 et seq.), as amended by section 102, is amended by  
19 adding at the end the following new section:

20 **“SEC. 2112. OPTIONAL COVERAGE OF TARGETED LOW-IN-**  
21 **COME PREGNANT WOMEN.**

22 “(a) OPTIONAL COVERAGE.—Notwithstanding any  
23 other provision of this title, a State may provide for cov-  
24 erage, through an amendment to its State child health  
25 plan under section 2102, of pregnancy-related assistance

1 for targeted low-income pregnant women in accordance  
2 with this section, but only if—

3 “(1) the State has established an income eligi-  
4 bility level—

5 “(A) for pregnant women under subsection  
6 (a)(10)(A)(i)(III) or (l)(2)(A) of section 1902  
7 that is at least 185 percent of the poverty line;  
8 and

9 “(B) for children under this title that is at  
10 least 200 percent of the poverty line; and

11 “(2) the State meets the requirement of section  
12 2105(i)(2) (relating to no waiting list for children).

13 “(b) DEFINITIONS.—For purposes of this title:

14 “(1) PREGNANCY-RELATED ASSISTANCE.—The  
15 term ‘pregnancy-related assistance’ has the meaning  
16 given the term child health assistance in section  
17 2110(a) as if any reference to targeted low-income  
18 children were a reference to targeted low-income  
19 pregnant women.

20 “(2) TARGETED LOW-INCOME PREGNANT  
21 WOMAN.—The term ‘targeted low-income pregnant  
22 woman’ means a woman—

23 “(A) during pregnancy and through the  
24 end of the month in which the 60-day period

1 (beginning on the last day of her pregnancy)  
2 ends;

3 “(B) whose family income exceeds 185 per-  
4 cent of the poverty level applicable to a family  
5 of the size involved, but does not exceed the in-  
6 come eligibility level established under the State  
7 child health plan under this title for a targeted  
8 low-income child; and

9 “(C) who satisfies the requirements of  
10 paragraphs (1)(A), (1)(C), (2), and (3) of sec-  
11 tion 2110(b).

12 “(c) REFERENCES TO TERMS AND SPECIAL  
13 RULES.—In the case of, and with respect to, a State pro-  
14 viding for coverage of pregnancy-related assistance to tar-  
15 geted low-income pregnant women under subsection (a),  
16 the following special rules apply:

17 “(1) Any reference in this title (other than in  
18 subsection (b)) to a targeted low-income child is  
19 deemed to include a reference to a targeted low-in-  
20 come pregnant woman.

21 “(2) Any such reference to child health assist-  
22 ance with respect to such women is deemed a ref-  
23 erence to pregnancy-related assistance.

1           “(3) Any such reference to a child is deemed a  
2 reference to a woman during pregnancy and the pe-  
3 riod described in subsection (b)(2)(A).

4           “(4) In applying section 2102(b)(3)(B), any  
5 reference to children found through screening to be  
6 eligible for medical assistance under the State med-  
7 icaid plan under title XIX is deemed a reference to  
8 pregnant women.

9           “(5) There shall be no exclusion of benefits for  
10 services described in subsection (b)(1) based on any  
11 preexisting condition and no waiting period (includ-  
12 ing any waiting period imposed to carry out section  
13 2102(b)(3)(C)) shall apply.

14           “(6) In applying section 2103(e)(3)(B) in the  
15 case of a pregnant woman provided coverage under  
16 this section, the limitation on total annual aggregate  
17 cost-sharing shall be applied to such pregnant  
18 woman.

19           “(7) In applying section 2104(i)—

20           “(A) in the case of State which did not  
21 provide for coverage for pregnant women under  
22 this title (under a waiver or otherwise) during  
23 fiscal year 2007, the allotment amount other-  
24 wise computed for the first fiscal year in which  
25 the State elects to provide coverage under this

1 section shall be increased by an amount (deter-  
2 mined by the Secretary) equal to the enhanced  
3 FMAP of the expenditures under this title for  
4 such coverage, based upon projected enrollment  
5 and per capita costs of such enrollment; and

6 “(B) in the case of a State which provided  
7 for coverage of pregnant women under this title  
8 for the previous fiscal year—

9 “(i) in applying paragraph (1)(B)(ii)  
10 of such section, there shall also be taken  
11 into account (in an appropriate proportion)  
12 the percentage increase in births in the  
13 United States for the relevant period; and

14 “(ii) in applying paragraph (1)(C),  
15 pregnant women (and per capita expendi-  
16 tures for such women) shall be accounted  
17 for separately from children, but shall be  
18 included in the total amount of any allot-  
19 ment adjustment under such paragraph.

20 “(d) AUTOMATIC ENROLLMENT FOR CHILDREN  
21 BORN TO WOMEN RECEIVING PREGNANCY-RELATED AS-  
22 SISTANCE.—If a child is born to a targeted low-income  
23 pregnant woman who was receiving pregnancy-related as-  
24 sistance under this section on the date of the child’s birth,  
25 the child shall be deemed to have applied for child health

1 assistance under the State child health plan and to have  
2 been found eligible for such assistance under such plan  
3 or to have applied for medical assistance under title XIX  
4 and to have been found eligible for such assistance under  
5 such title, as appropriate, on the date of such birth and  
6 to remain eligible for such assistance until the child at-  
7 tains 1 year of age. During the period in which a child  
8 is deemed under the preceding sentence to be eligible for  
9 child health or medical assistance, the child health or med-  
10 ical assistance eligibility identification number of the  
11 mother shall also serve as the identification number of the  
12 child, and all claims shall be submitted and paid under  
13 such number (unless the State issues a separate identifica-  
14 tion number for the child before such period expires).”.

15           (2) NO COST-SHARING FOR PREGNANCY-RE-  
16           LATED BENEFITS.—Section 2103(e)(2) (42 U.S.C.  
17           1397cc(e)(2)) is amended—

18                   (A) in the heading, by inserting “or preg-  
19                   nancy-related services” after “preventive serv-  
20                   ices”; and

21                   (B) by inserting before the period at the  
22                   end the following: “or for pregnancy-related  
23                   services”.

24           (3) ADDITIONAL AMENDMENT.—Section  
25           2107(e)(1)(G) (42 U.S.C. 1397gg(e)(1)(G)), as re-

1 designated by sections 103(b), 132(b), and 207, is  
2 amended to read as follows:

3 “(G) Sections 1920 and 1920A (relating to  
4 presumptive eligibility for pregnant women and  
5 children).”.

6 (b) AMENDMENTS TO MEDICAID.—

7 (1) ELIGIBILITY OF A NEWBORN.—Section  
8 1902(e)(4) (42 U.S.C. 1396a(e)(4)) is amended in  
9 the first sentence by striking “so long as the child  
10 is a member of the woman’s household and the  
11 woman remains (or would remain if pregnant) eligi-  
12 ble for such assistance”.

13 (2) APPLICATION OF QUALIFIED ENTITIES TO  
14 PRESUMPTIVE ELIGIBILITY FOR PREGNANT WOMEN  
15 UNDER MEDICAID.—Section 1920(b) (42 U.S.C.  
16 1396r–1(b)) is amended by adding after paragraph  
17 (2) the following flush sentence:

18 “The term ‘qualified provider’ includes a qualified entity,  
19 as defined in section 1920A(b)(3).”.

1     **TITLE II—REMOVAL OF OTHER**  
2             **BARRIERS TO COVERAGE**

3     **SEC. 201. ESTABLISHMENT OF NEW BASE SCHIP ALLOT-**  
4             **MENTS THAT ARE RESPONSIVE TO IN-**  
5             **CREASES IN HEALTH CARE COSTS AND EN-**  
6             **ROLLMENT EXPANSIONS.**

7             Section 2104 (42 U.S.C. 1397dd), as amended by  
8 section 101(b), is amended—

9                 (1) in subsection (a)—

10                     (A) in paragraph (9), by striking “and” at  
11 the end;

12                     (B) in paragraph (10), by striking the pe-  
13 riod at the end and inserting “; and”; and

14                     (C) by adding at the end the following new  
15 paragraph:

16                     “(11) for fiscal year 2008 and each succeeding  
17 fiscal year, the sum of the State allotments provided  
18 under subsection (i) for such fiscal year.”;

19                     (2) in subsection (b)(1), by striking “and (h)”  
20 and inserting “(h), and (i)”; and

21                     (3) in subsection (c)(1), by striking “and (h)”  
22 and inserting “(h), and (i)”.

23                     (4) by adding at the end the following new sub-  
24 section:

1       “(i) ALLOTMENTS FOR STATES AND TERRITORIES  
2 BEGINNING WITH FISCAL YEAR 2008.—

3               “(1) GENERAL ALLOTMENT COMPUTATION.—

4                       “(A) IN GENERAL.—Subject to the suc-  
5 ceeding provisions of this subsection, the Sec-  
6 retary shall compute a State allotment for each  
7 State for each fiscal year as follows:

8                               “(i) REBASING IN FISCAL YEAR 2008  
9                               AND EACH SECOND SUCCEEDING FISCAL  
10                              YEAR.—For fiscal year 2008 and each sec-  
11                              ond succeeding fiscal year, the allotment of  
12                              a State is equal to the Federal payments  
13                              to the State that are attributable to (and  
14                              countable towards) the allotment under  
15                              this section for the State for the previous  
16                              fiscal year multiplied by the allotment in-  
17                              crease factor under subparagraph (B) for  
18                              the fiscal year involved.

19                              “(ii) USING PROJECTIONS FOR FISCAL  
20                              YEAR 2009 AND EACH SECOND SUCCEEDING  
21                              FISCAL YEAR.—For fiscal year 2009 and  
22                              each second succeeding fiscal year, the al-  
23                              lotment of a State is equal to the amount  
24                              of the State allotment under this subpara-  
25                              graph for the previous fiscal year multi-

1           plied by the allotment increase factor  
2           under subparagraph (B) for the fiscal year  
3           involved.

4           “(B) ALLOTMENT INCREASE FACTOR.—  
5           The allotment increase factor under this sub-  
6           paragraph for a fiscal year is equal to the prod-  
7           uct of the following:

8                   “(i) PER CAPITA HEALTH CARE  
9                   GROWTH FACTOR.—One plus the percent-  
10                  age increase in the projected per capita  
11                  amount of National Health Expenditures  
12                  from the second previous fiscal year to the  
13                  previous fiscal year, as most recently pub-  
14                  lished by the Secretary before the begin-  
15                  ning of the fiscal year involved.

16                  “(ii) CHILD POPULATION GROWTH  
17                  FACTOR.—One plus the percentage in-  
18                  crease in the population of children under  
19                  20 years of age in the State from July 1  
20                  in such second previous fiscal year to July  
21                  1 in the previous fiscal year, as determined  
22                  by the Secretary based on the most recent  
23                  published estimates of the Bureau of the  
24                  Census before the beginning of the fiscal  
25                  year involved.

1 “(C) OUTREACH ADJUSTMENT.—

2 “(i) IN GENERAL.—If a State’s ex-  
3 penditures under this title in a fiscal year  
4 (beginning with fiscal year 2008) exceeds  
5 the allotment provided under this section  
6 (determined without regard to any reallocot-  
7 ment it receives that is available for ex-  
8 penditure during such fiscal year) and if  
9 the average number of enrollees in the  
10 State under this title for such fiscal year  
11 exceeds its target number of enrollees for  
12 that year, for the subsequent fiscal year  
13 the allotment under this section for the  
14 State shall be increased by the amount by  
15 which—

16 “(I) the product of—

17 “(aa) such additional num-  
18 ber of enrollees; and

19 “(bb) the projected per cap-  
20 ita Federal expenditures under  
21 the State child health plan (as  
22 determined under clause (iii) for  
23 such subsequent fiscal year); re-  
24 duced by

1                   “(II) the amount of any allot-  
2                   ment redistributed to the State under  
3                   this section for such subsequent fiscal  
4                   year.

5                   “(ii) TARGET NUMBER OF ENROLL-  
6                   EES.—In this subsection, the target num-  
7                   ber of enrollees for a State for a fiscal year  
8                   is equal to the average number of enrollees  
9                   enrolled in the State child health plan  
10                  under this title during fiscal year 2007 in-  
11                  creased (for each subsequent fiscal year  
12                  through the fiscal year involved) by the  
13                  population growth for children in that  
14                  State for the year ending on June 30 be-  
15                  fore the beginning of the fiscal year (as es-  
16                  timated by the Bureau of the Census).

17                  “(iii) PROJECTED PER CAPITA FED-  
18                  ERAL EXPENDITURES.—For purposes of  
19                  subparagraph (A)(i)(II), the projected per  
20                  capita Federal expenditures under a State  
21                  child health plan for a fiscal year is equal  
22                  to the average per capita Federal expendi-  
23                  tures under such plan for fiscal year 2007,  
24                  increased (for each subsequent fiscal year  
25                  up to and including the fiscal year in-

1           volved) by the annual percentage increase  
2           in per capita amount of National Health  
3           Expenditures (as estimated by the Sec-  
4           retary) for the respective subsequent fiscal  
5           year.

6           “(iv)           AVAILABILITY.—Notwith-  
7           standing subsection (e), an increase in al-  
8           lotment under this paragraph shall only be  
9           available for expenditure during the fiscal  
10          year in which it is provided.

11          “(v) INTERACTION WITH OTHER PRO-  
12          VISIONS.—

13                 “(I)    COVERAGE    EXPANSION  
14                 STATES.—In the case of a State that  
15                 has an increased allotment under sec-  
16                 tion 2105(i)—

17                         “(aa) there shall be no in-  
18                         creased allotment under para-  
19                         graph (2); and

20                         “(bb) the allotment under  
21                         this subsection shall not be sub-  
22                         ject to reallocation or redistribu-  
23                         tion to other States.

24                 “(II) NO REALLOTMENT OF OUT-  
25                 REACH ADJUSTMENT.—In no case

1 shall any increase in allotment under  
2 paragraph (2) for a State be subject  
3 to reallocation or redistribution to  
4 other States.”.

5 **SEC. 202. 2-YEAR INITIAL AVAILABILITY OF SCHIP ALLOT-**  
6 **MENTS.**

7 Section 2104(e) (42 U.S.C. 1397dd(e)) is amended  
8 to read as follows:

9 “(e) AVAILABILITY OF AMOUNTS ALLOTTED.—

10 “(1) IN GENERAL.—Except as provided in para-  
11 graph (2), amounts allotted to a State pursuant to  
12 this section—

13 “(A) for each of fiscal years 1998 through  
14 2007, shall remain available for expenditure by  
15 the State through the end of the second suc-  
16 ceeding fiscal year; and

17 “(B) for fiscal year 2008 and each fiscal  
18 year thereafter, shall remain available for ex-  
19 penditure by the State through the end of the  
20 succeeding fiscal year.

21 “(2) AVAILABILITY OF AMOUNTS REALLOT-  
22 TED.—Amounts reallocated to a State under sub-  
23 section (f) shall be available for expenditure by the  
24 State through the end of the fiscal year in which  
25 they are reallocated.”.

1 **SEC. 203. REDISTRIBUTION OF UNUSED ALLOTMENTS TO**  
2 **ADDRESS STATE FUNDING SHORTFALLS.**

3 Section 2104(f) (42 U.S.C. 1397dd(f)) is amended—

4 (1) by striking “The Secretary” and inserting  
5 the following:

6 “(1) IN GENERAL.—The Secretary”;

7 (2) by striking “States that have fully expended  
8 the amount of their allotments under this section”  
9 and inserting “States that the Secretary determines  
10 with respect to the fiscal year for which unused al-  
11 lotments are available for redistribution under this  
12 subsection, are shortfall States described in para-  
13 graph (2) for such fiscal year”; and

14 (3) by adding at the end the following new  
15 paragraph:

16 “(2) SHORTFALL STATES DESCRIBED.—

17 “(A) IN GENERAL.—For purposes of para-  
18 graph (1), with respect to a fiscal year, a short-  
19 fall State described in this subparagraph is a  
20 State with a State child health plan approved  
21 under this title for which the Secretary esti-  
22 mates on the basis of the most recent data  
23 available to the Secretary, that the projected ex-  
24 penditures under such plan for the State for the  
25 fiscal year will exceed the sum of—

1           “(i) the amount of the State’s allot-  
2           ments for any preceding fiscal years that  
3           remain available for expenditure and that  
4           will not be expended by the end of the im-  
5           mediately preceding fiscal year; and

6           “(ii) the amount of the State’s allot-  
7           ment for the fiscal year.

8           “(B) PRORATION RULE.—If the amounts  
9           available for redistribution under paragraph (1)  
10          for a fiscal year are less than the total amounts  
11          of the estimated shortfalls determined for the  
12          year under subparagraph (A), the amount to be  
13          reallotted under such paragraph for each short-  
14          fall State shall be reduced proportionally.

15          “(C) RETROSPECTIVE ADJUSTMENT.—The  
16          Secretary may adjust the estimates and deter-  
17          minations made under paragraph (1) and this  
18          paragraph with respect to a fiscal year as nec-  
19          essary on the basis of the amounts reported by  
20          States not later than November 30 of the suc-  
21          ceeding fiscal year, as approved by the Sec-  
22          retary.”.

1 **SEC. 204. INCENTIVES FOR SCHOOL-BASED OUTREACH AND**  
2 **ENROLLMENT.**

3 Section 2105(a) (42 U.S.C. 1397ee(a)) is amended  
4 by adding at the end the following new paragraph:

5 “(3) SPECIAL RULE FOR SCHOOL-BASED OUT-  
6 REACH AND ENROLLMENT ACTIVITIES.—With re-  
7 spect to expenditures in a quarter for school-based  
8 outreach and enrollment activities—

9 “(A) the ‘enhanced FMAP’ for purposes of  
10 paragraph (1) is equal to 90 percent; and

11 “(B) the limitation under subsection  
12 (c)(2)(A) shall not apply to such expendi-  
13 tures.”.

14 **SEC. 205. MEDICAID CITIZENSHIP DOCUMENTATION RE-**  
15 **QUIREMENTS.**

16 (a) STATE OPTION TO REQUIRE CERTAIN INDIVID-  
17 UALS TO PRESENT SATISFACTORY DOCUMENTARY EVI-  
18 DENCE OF PROOF OF CITIZENSHIP OR NATIONALITY FOR  
19 PURPOSES OF ELIGIBILITY FOR MEDICAID.—

20 (1) IN GENERAL.—Section 1902(a)(46) (42  
21 U.S.C. 1396a(a)(46)) is amended—

22 (A) by inserting “(A)” after “(46)”;

23 (B) by adding “and” after the semicolon;

24 and

25 (C) by adding at the end the following new  
26 subparagraph:

1           “(B) at the option of the State and subject to  
2           section 1903(x), require that, with respect to an in-  
3           dividual (other than an individual described in sec-  
4           tion 1903(x)(1)) who declares to be a citizen or na-  
5           tional of the United States for purposes of estab-  
6           lishing initial eligibility for medical assistance under  
7           this title (or, at State option, for purposes of renew-  
8           ing or redetermining such eligibility to the extent  
9           that such satisfactory documentary evidence of citi-  
10          zenship or nationality has not yet been presented),  
11          there is presented satisfactory documentary evidence  
12          of citizenship or nationality of the individual (using  
13          criteria determined by the State, which shall be no  
14          more restrictive than the criteria used by the Social  
15          Security Administration to determine citizenship,  
16          and which shall accept as such evidence a document  
17          issued by a federally-recognized Indian tribe evidenc-  
18          ing membership or enrollment in, or affiliation with,  
19          such tribe (such as a tribal enrollment card or cer-  
20          tificate of degree of Indian blood, and, with respect  
21          to those federally-recognized Indian tribes located  
22          within States having an international border whose  
23          membership includes individuals who are not citizens  
24          of the United States, such other forms of docu-  
25          mentation (including tribal documentation, if appro-

1        piate) that the Secretary, after consulting with such  
2        tribes, determines to be satisfactory documentary  
3        evidence of citizenship or nationality for purposes of  
4        satisfying the requirement of this subparagraph));”.

5            (2) LIMITATION ON WAIVER AUTHORITY.—Not-  
6        withstanding any provision of section 1115 of the  
7        Social Security Act (42 U.S.C. 1315), or any other  
8        provision of law, the Secretary of Health and  
9        Human Services may not waive the requirements of  
10       section 1902(a)(46)(B) of such Act (42 U.S.C.  
11       1396a(a)(46)(B)) with respect to a State.

12           (3) CONFORMING AMENDMENTS.—Section 1903  
13       (42 U.S.C. 1396b) is amended—

14            (A) in subsection (i)—

15                (i) in paragraph (20), by adding “or”  
16                after the semicolon;

17                (ii) in paragraph (21), by striking “;  
18                or” and inserting a period; and

19                (iii) by striking paragraph (22); and

20            (B) in subsection (x) (as amended by sec-  
21       tion 405(c)(1)(A) of division B of the Tax Re-  
22       lief and Health Care Act of 2006 (Public Law  
23       109–432))—

24                (i) by striking paragraphs (1) and (3);

1 (ii) by redesignating paragraph (2) as  
2 paragraph (1);

3 (iii) in paragraph (1), as so redesign-  
4 nated, by striking “paragraph (1)” and in-  
5 serting “section 1902(a)(46)(B)”; and

6 (iv) by adding at the end the following  
7 new paragraph:

8 “(2) In the case of an individual declaring to be a  
9 citizen or national of the United States with respect to  
10 whom a State requires the presentation of satisfactory  
11 documentary evidence of citizenship or nationality under  
12 section 1902(a)(46)(B), the individual shall be provided  
13 at least the reasonable opportunity to present satisfactory  
14 documentary evidence of citizenship or nationality under  
15 this subsection as is provided under clauses (i) and (ii)  
16 of section 1137(d)(4)(A) to an individual for the submittal  
17 to the State of evidence indicating a satisfactory immigra-  
18 tion status.”.

19 (b) CLARIFICATION OF RULES FOR CHILDREN BORN  
20 IN THE UNITED STATES TO MOTHERS ELIGIBLE FOR  
21 MEDICAID.—Section 1903(x) (42 U.S.C. 1396b(x)), as  
22 amended by subsection (a)(3)(B), is amended—

23 (1) in paragraph (1)—

24 (A) in subparagraph (C), by striking “or”  
25 at the end;

1 (B) by redesignating subparagraph (D) as  
2 subparagraph (E); and

3 (C) by inserting after subparagraph (C)  
4 the following new subparagraph:

5 “(D) pursuant to the application of section  
6 1902(e)(4) (and, in the case of an individual who is  
7 eligible for medical assistance on such basis, the in-  
8 dividual shall be deemed to have provided satisfac-  
9 tory documentary evidence of citizenship or nation-  
10 ality and shall not be required to provide further  
11 documentary evidence on any date that occurs dur-  
12 ing or after the period in which the individual is eli-  
13 gible for medical assistance on such basis); or”;

14 (2) by adding at the end the following new  
15 paragraph:

16 “(3) Nothing in subparagraph (A) or (B) of section  
17 1902(a)(46), the preceding paragraphs of this subsection,  
18 or the Deficit Reduction Act of 2005, including section  
19 6036 of such Act, shall be construed as changing the re-  
20 quirement of section 1902(e)(4) that a child born in the  
21 United States to an alien mother for whom medical assist-  
22 ance for the delivery of such child is available as treatment  
23 of an emergency medical condition pursuant to subsection  
24 (v) shall be deemed eligible for medical assistance during  
25 the first year of such child’s life.”.

1 (c) EFFECTIVE DATE.—

2 (1) RETROACTIVE APPLICATION.—The amend-  
3 ments made by this section shall take effect as if in-  
4 cluded in the enactment of the Deficit Reduction Act  
5 of 2005 (Public Law 109–171; 120 Stat. 4).

6 (2) RESTORATION OF ELIGIBILITY.—In the  
7 case of an individual who, during the period that  
8 began on July 1, 2006, and ends on the date of en-  
9 actment of this Act, was determined to be ineligible  
10 for medical assistance under a State Medicaid pro-  
11 gram solely as a result of the application of sub-  
12 sections (i)(22) and (x) of section 1903 of the Social  
13 Security Act (as in effect during such period), but  
14 who would have been determined eligible for such as-  
15 sistance if such subsections, as amended by sub-  
16 sections (a) and (b), had applied to the individual,  
17 a State may deem the individual to be eligible for  
18 such assistance as of the date that the individual  
19 was determined to be ineligible for such medical as-  
20 sistance on such basis.

1 **SEC. 206. STATE OPTION TO PROVIDE FOR “EXPRESS LANE”**  
2 **AND SIMPLIFIED DETERMINATIONS OF A**  
3 **CHILD’S FINANCIAL ELIGIBILITY FOR MED-**  
4 **ICAL ASSISTANCE UNDER MEDICAID OR**  
5 **CHILD HEALTH ASSISTANCE UNDER SCHIP.**

6 (a) MEDICAID.—Section 1902(e) (42 U.S.C.  
7 1396a(e)) is amended by adding at the end the following:  
8 “(13)(A) At the option of the State, the plan may  
9 provide that eligibility requirements (including such re-  
10 quirements applicable to redeterminations or renewals of  
11 eligibility) for medical assistance relating to income, assets  
12 (or resources), or citizenship status are met for a child  
13 who is under an age specified by the State (not to exceed  
14 21 years of age) by using a determination made within  
15 a reasonable period (as determined by the State) before  
16 its use for this purpose, of the child’s family or household  
17 income, or if applicable for purposes of determining eligi-  
18 bility under this title or title XXI, assets or resources, or  
19 citizenship status, respectively, (notwithstanding any other  
20 provision of law, including sections 1902(a)(46)(B),  
21 1903(x), and 1137(d)), by a Federal or State agency, or  
22 a public or private entity making such determination on  
23 behalf of such agency, specified by the plan, including an  
24 agency administering the State program funded under  
25 part A of title IV, the Food Stamp Act of 1977, the Rich-  
26 ard B. Russell National School Lunch Act, or the Child

1 Nutrition Act of 1966, notwithstanding any differences in  
2 budget unit, disregard, deeming, or other methodology,  
3 but only if—

4 “(i) the agency has fiscal liabilities or respon-  
5 sibilities affected by such determination; and

6 “(ii) the agency or entity notifies the child’s  
7 family—

8 “(I) of the information which shall be dis-  
9 closed in accordance with this subparagraph;

10 “(II) that the information disclosed will be  
11 used solely for purposes of determining eligi-  
12 bility for medical assistance under this title or  
13 for child health assistance under title XXI; and

14 “(III) that interagency agreements limit  
15 the use of such information to that purpose;  
16 and

17 “(iii) the requirements of section 1939 are sat-  
18 isfied.

19 “(B) Nothing in this paragraph shall be construed  
20 to relieve a State of the obligation to determine, on an-  
21 other basis, eligibility for medical assistance under this  
22 title or for child health assistance under title XXI if a  
23 child is determined ineligible for such assistance on the  
24 basis of information furnished pursuant to this paragraph.

1       “(C) If a State applies the eligibility process de-  
2 scribed in subparagraph (A) to individuals eligible under  
3 this title and to individuals eligible under title XXI, the  
4 State may, at its option, implement its duties under sub-  
5 paragraphs (A) and (B) of section 2102(b)(3) using either  
6 or both of the following approaches:

7               “(i) The State may—

8                       “(I) establish a threshold percentage of the  
9 Federal poverty level (that shall exceed the in-  
10 come eligibility level applicable for a population  
11 of individuals under this title by 30 percentage  
12 points (as a fraction of the Federal poverty  
13 level) or such other higher number of percent-  
14 age points as the State determines reflects the  
15 typical application of income methodologies by  
16 the non-health program and the State plan  
17 under this title); and

18                       “(II) provide that, with respect to any in-  
19 dividual within such population whom a non-  
20 health agency determines has income that does  
21 not exceed such threshold percentage for such  
22 population, such individual is eligible for med-  
23 ical assistance under this title (regardless of  
24 whether such individual would otherwise be de-

1           terminated to be eligible to receive such assist-  
2           ance).

3           In exercising the approach under this clause, a State  
4           shall inform families whose children are enrolled in  
5           a State child health plan under title XXI based on  
6           having family income above the threshold described  
7           in subclause (I) that they may qualify for medical  
8           assistance under this title and, at their option, can  
9           seek a regular eligibility determination for such as-  
10          sistance for their child.

11           “(ii) Regardless of whether a State otherwise  
12          provides for presumptive eligibility under section  
13          1920A, a State may provide presumptive eligibility  
14          under this title, consistent with subsection (e) of sec-  
15          tion 1920A, to a child who, based on a determina-  
16          tion by a non-health agency, would qualify for child  
17          health assistance under a State child health plan  
18          under title XXI. During such presumptive eligibility  
19          period, the State may determine the child’s eligibility  
20          for medical assistance under this title, pursuant to  
21          subparagraph (A) of section 2102(b)(3), based on  
22          telephone contact with family members, access to  
23          data available in electronic or paper form, and other  
24          means of gathering information that are less bur-  
25          densome to the family than completing an applica-

1       tion form on behalf of the child. The procedures de-  
2       scribed in the previous sentence may be used regard-  
3       less of whether the State uses similar procedures  
4       under other circumstances for purposes of deter-  
5       mining eligibility for medical assistance under this  
6       title.

7       “(D) At the option of a State, the eligibility process  
8       described in subparagraph (A) may apply to an individual  
9       who is not a child.

10       “(E)(i) At the option of a State, an individual deter-  
11       mined to be eligible for medical assistance or child health  
12       assistance pursuant to subparagraph (A), (C), or (D) or  
13       other procedures through which eligibility is determined  
14       based on data obtained from sources other than the indi-  
15       vidual may receive medical assistance under this title if  
16       such individual (or, in the case of an individual under age  
17       19 (or if the State elects the option under subparagraph  
18       (A), age 20 or 21) who is not authorized to consent to  
19       medical care, the individual’s parent, guardian, or other  
20       caretaker relative) has acknowledged notice of such deter-  
21       mination and has consented to such eligibility determina-  
22       tion. The State (at its option) may waive any otherwise  
23       applicable requirements for signatures by or on behalf of  
24       an individual who has so consented.

1       “(ii) In the case of an individual enrolled pursuant  
2 to clause (i), the State shall inform the individual (or, in  
3 the case of an individual under age 19 (or if the State  
4 elects the option under subparagraph (A), age 20 or 21),  
5 the individual’s parent, guardian, or other caretaker rel-  
6 ative) about the significance of such enrollment, including  
7 appropriate methods to access covered services.

8       “(F) For purposes of this paragraph—

9           “(i) the term ‘non-health agency’ means an  
10 agency or entity described in subparagraph (A); and

11           “(ii) the term ‘non-health benefits’ means the  
12 benefits or assistance provided by a non-health agen-  
13 cy.”.

14       (b) SCHIP.—Section 2107(e)(1) (42 U.S.C.  
15 1397gg(e)(1)), as amended by sections 103(b) and 132(b),  
16 is amended by redesignating subparagraphs (C) through  
17 (F) as subparagraphs (D) through (G) and by inserting  
18 after subparagraph (B) the following new subparagraph:

19           “(C) Section 1902(e)(13) (relating to the  
20 State option to base a determination of a child’s  
21 eligibility for assistance on determinations made  
22 by a program providing nutrition or other pub-  
23 lic assistance (except that the State option  
24 under subparagraph (D) of such section shall

1           apply under this title only if an individual is  
2           pregnant)).”.

3           (c) PRESUMPTIVE ELIGIBILITY.—Section 1920A (42  
4 U.S.C. 1396r–1a) is amended—

5           (1) in subsection (b)(3)(A)(i), is amended by  
6           striking “or (IV)” and inserting “(IV) is an agency  
7           or entity described in section 1902(e)(13)(A), or  
8           (V)”;

9           (2) by adding at the end the following:

10          “(e) In the case of a State with a child health plan  
11 under title XXI that provides for presumptive eligibility  
12 under such plan for children, the State shall make a rea-  
13 sonable effort to place each presumptively eligible child in  
14 the program under this title or title XXI for which the  
15 child appears most likely to qualify. During the child’s pe-  
16 riod of presumptive eligibility, the State shall receive Fed-  
17 eral matching funds under section 1903 or section 2105,  
18 depending on the program in which the child has been  
19 placed. If at the conclusion of such period, the child is  
20 found to qualify for, and is enrolled in, the program estab-  
21 lished under this title or title XXI when the child was en-  
22 rolled in the program under the other such title during  
23 such period, the State’s receipt of Federal matching funds  
24 shall be adjusted both retroactively and prospectively so  
25 that Federal matching funds are provided, both during

1 and following such period of presumptive eligibility, based  
2 on the program in which the child is enrolled.”.

3 (d) SIGNATURE REQUIREMENTS.—Section 1902(a)  
4 (42 U.S.C. 1396a(a)) is amended by adding at the end  
5 the following: “Notwithstanding any other provision of  
6 law, a signature under penalty of perjury shall not be re-  
7 quired on an application form for medical assistance as  
8 to any element of eligibility for which eligibility is based  
9 on information received from a source other than appli-  
10 cant, rather than on representations from the applicant.  
11 Notwithstanding any other provision of law, any signature  
12 requirement for an application for medical assistance may  
13 be satisfied through an electronic signature, as defined in  
14 section 1710(1) of the Government Paperwork Elimini-  
15 nation Act (44 U.S.C. 3504 note).”.

16 **SEC. 207. INFORMATION TECHNOLOGY CONNECTIONS TO**  
17 **IMPROVE HEALTH COVERAGE DETERMINA-**  
18 **TIONS.**

19 (a) ENHANCED FEDERAL FUNDING FOR IMPROVE-  
20 MENTS RELATED TO IMPLEMENTATION OF CERTAIN  
21 MODEL OUTREACH AND ENROLLMENT PRACTICES.—

22 (1) IN GENERAL.—Section 1903(a)(3)(A) (42  
23 U.S.C. 1396b(a)(3)(A)) is amended—

24 (A) by striking “and” at the end of clause  
25 (i); and

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

3 “(iii) 75 percent of so much of the sums  
4 expended during such quarter as are attrib-  
5 utable to the design, development, or installa-  
6 tion of such mechanized claims processing and  
7 information retrieval systems and the imple-  
8 mentation of administrative systems and proc-  
9 esses (including modification of eligibility com-  
10 puter systems to permit the exchange of elec-  
11 tronic information with other Federal or State  
12 programs) as the Secretary determines are di-  
13 rectly related to the implementation of a model  
14 outreach and enrollment practice described in  
15 subparagraph (B), (C), (D), (E), or (F) of sec-  
16 tion 1905(y)(3), and”.

17 (2) CONFORMING AMENDMENT TO ENSURE  
18 AVAILABILITY FOR TERRITORIES.—Section 1108(g)  
19 (42 U.S.C. 1308(g)) is amended by adding at the  
20 end the following new paragraph:

21 “(4) ADDITIONAL INCREASE FOR CERTAIN EX-  
22 PENDITURES.—With respect to fiscal year 2008 and  
23 each fiscal year thereafter, if Puerto Rico, the Virgin  
24 Islands, Guam, the Northern Mariana Islands, or  
25 American Samoa qualify for a payment under sec-

1       tion 1903(a)(3)(A)(iii) for a calendar quarter of  
2       such fiscal year, the additional Federal financial par-  
3       ticipation under such section shall not be counted to-  
4       wards the limitation on expenditures under title XIX  
5       for such commonwealth or territory otherwise deter-  
6       mined under subsection (f) and this subsection for  
7       such fiscal year.”.

8       (b) AUTHORIZATION OF INFORMATION DISCLO-  
9       SURE.—

10           (1) IN GENERAL.—Title XIX (42 U.S.C. 1396  
11       et seq.) is amended—

12                   (A) by redesignating section 1939 as sec-  
13       tion 1940; and

14                   (B) by inserting after section 1938 the fol-  
15       lowing:

16       “AUTHORIZATION TO RECEIVE PERTINENT INFORMATION  
17       “SEC. 1939. (a) IN GENERAL.—Notwithstanding any  
18       other provision of law, a Federal or State agency or pri-  
19       vate entity in possession of the sources of data potentially  
20       pertinent to eligibility determinations under this title or  
21       title XXI (including eligibility files maintained by pro-  
22       grams described in section 1902(e)(13)(A), information  
23       described in paragraph (2) or (3) of section 1137(a), vital  
24       records information about births in any State, and infor-  
25       mation described in sections 453(i) and 1902(a)(25)(I))  
26       is authorized to convey such data or information to a State

1 agency administering a State plan under this title or title  
2 XXI, if—

3 “(1) such data or information are used only to  
4 establish or verify eligibility or provide coverage  
5 under this title or title XXI; and

6 “(2) an interagency or other agreement, con-  
7 sistent with standards developed by the Secretary,  
8 prevents the unauthorized use, disclosure, or modi-  
9 fication of such data and otherwise meets applicable  
10 Federal requirements safeguarding privacy and data  
11 security.

12 “(b) REQUIREMENTS FOR CONVEYANCE.—Data or  
13 information may be conveyed pursuant to this section only  
14 if the following requirements are met:

15 “(1) The individual whose circumstances are  
16 described in the data or information (or such indi-  
17 vidual’s parent, guardian, caretaker relative, or au-  
18 thorized representative) has either provided advance  
19 consent to disclosure or has not objected to disclo-  
20 sure after receiving advance notice of disclosure and  
21 a reasonable opportunity to object.

22 “(2) Such data or information are used solely  
23 for the purposes of—

24 “(A) identifying individuals who are eligi-  
25 ble or potentially eligible for assistance under

1 this title or title XXI and enrolling such indi-  
2 viduals in the State plans established under  
3 such titles; and

4 “(B) verifying the eligibility of individuals  
5 for assistance under the State plans established  
6 under this title or title XXI.

7 “(3) An interagency or other agreement, con-  
8 sistent with standards developed by the Secretary—

9 “(A) prevents the unauthorized use, dislo-  
10 sure, or modification of such data and other-  
11 wise meets applicable Federal requirements  
12 safeguarding privacy and data security; and

13 “(B) requires the State agencies admin-  
14 istering the State plans established under this  
15 title and title XXI to use the data and informa-  
16 tion obtained under this section to seek to en-  
17 roll individuals in such plans.

18 “(c) CRIMINAL PENALTY.—A person described in the  
19 subsection (a) who publishes, divulges, discloses, or makes  
20 known in any manner, or to any extent not authorized by  
21 Federal law, any information obtained under this section  
22 shall be fined not more than \$1,000 or imprisoned not  
23 more than 1 year, or both for each such unauthorized ac-  
24 tivity.

1       “(d) RULE OF CONSTRUCTION.—The limitations and  
2 requirements that apply to disclosure pursuant to this sec-  
3 tion shall not be construed to prohibit the conveyance or  
4 disclosure of data or information otherwise permitted  
5 under Federal law (without regard to this section).”.

6           (2) CONFORMING AMENDMENT TO ASSURE AC-  
7 CESS TO NATIONAL NEW HIRES DATABASE.—Section  
8 453(i)(1) (42 U.S.C. 653(i)(1)) is amended by strik-  
9 ing “and programs funded under part A” and in-  
10 sserting “, programs funded under part A, and State  
11 plans approved under title XIX or XXI”.

12           (3) CONFORMING AMENDMENT TO PROVIDE  
13 SCHIP PROGRAMS WITH ACCESS TO NATIONAL IN-  
14 COME DATA.—Section 6103(l)(7)(D)(ii) of the Inter-  
15 nal Revenue Code of 1986 is amended by inserting  
16 “or title XXI” after “title XIX”.

17           (4) CONFORMING AMENDMENT TO PROVIDE AC-  
18 CESS TO DATA ABOUT ENROLLMENT IN INSURANCE  
19 FOR PURPOSES OF EVALUATING APPLICATIONS AND  
20 FOR SCHIP.—Section 1902(a)(25)(I)(i) (42 U.S.C.  
21 1396a(a)(25)(I)(i)) is amended—

22           (A) by inserting “(and, at State option, in-  
23 dividuals who are potentially eligible or who  
24 apply)” after “with respect to individuals who  
25 are eligible”; and

1 (B) by inserting “under this title (and, at  
2 State option, child health assistance under title  
3 XXI)” after “the State plan”.

4 **SEC. 208. ENCOURAGING CULTURALLY APPROPRIATE EN-**  
5 **ROLLMENT PRACTICES.**

6 Section 1903(a)(2) (42 U.S.C. 1396b(a)(2)) is  
7 amended by adding at the end the following new subpara-  
8 graph:

9 “(E) an amount equal to 75 percent of so much  
10 of the sums expended during such quarter (as found  
11 necessary by the Secretary for the proper and effi-  
12 cient administration of the State plan) as are attrib-  
13 utable to translation or interpretation services in  
14 connection with the enrollment under this title of  
15 children of families for whom English is not their  
16 primary language; plus”.

17 **SEC. 209. MODEL OF INTERSTATE COORDINATED ENROLL-**  
18 **MENT AND COVERAGE PROCESS.**

19 In order to assure continuity of coverage of low-in-  
20 come children under the Medicaid program and the State  
21 Children’s Health Insurance Program (SCHIP), the Sec-  
22 retary of Health and Human Services, in consultation with  
23 State Medicaid and SCHIP directors, shall develop and  
24 disseminate a model process for the coordination of the  
25 enrollment and coverage under such programs of children

1 who, because of migration of families, emergency evacu-  
2 ations, educational needs, or otherwise, frequently change  
3 their State of residency or otherwise are temporarily  
4 present outside of the State of their residency.

5 **SEC. 210. ELIMINATION OF COUNTING MEDICAID CHILD**  
6 **PRESUMPTIVE ELIGIBILITY COSTS AGAINST**  
7 **TITLE XXI ALLOTMENT.**

8 Section 2105(a)(1) (42 U.S.C. 1397ee(a)(1)) is  
9 amended—

10 (1) in the matter preceding subparagraph (A),  
11 by striking “(or, in the case of expenditures de-  
12 scribed in subparagraph (B), the Federal medical  
13 assistance percentage (as defined in the first sen-  
14 tence of section 1905(b)))”; and

15 (2) by amending subparagraph (B) to read as  
16 follows:

17 “(B) [reserved]”.

18 **SEC. 211. AUTHORITY FOR QUALIFYING STATES TO USE**  
19 **PORTION OF SCHIP ALLOTMENT FOR ANY**  
20 **FISCAL YEAR FOR CERTAIN MEDICAID EX-**  
21 **PENDITURES.**

22 Section 2105(g)(1)(A) (42 U.S.C. 1397ee(g)(1)(A)),  
23 as amended by section 201(b) of the National Institutes  
24 of Health Reform Act of 2006 (Public Law 109–482) is

1 amended by striking “fiscal year 1998, 1999, 2000, 2001,  
2 2004, 2005, 2006, or 2007” and inserting “a fiscal year”.

3 **SEC. 212. APPLICATION OF MEDICAID OUTREACH PROCE-**  
4 **DURES TO ALL PREGNANT WOMEN AND CHIL-**  
5 **DREN.**

6 (a) IN GENERAL.—Section 1902(a)(55) (42 U.S.C.  
7 1396a(a)(55)) is amended by striking “individuals for  
8 medical assistance under subsection (a)(10)(A)(i)(IV),  
9 (a)(10)(A)(i)(VI), (a)(10)(A)(i)(VII), or  
10 (a)(10)(A)(ii)(IX)” and inserting “child and pregnant  
11 women for medical assistance (including under clauses  
12 (i)(IV), (i)(VI), (i)(VII), and (ii)(IX) of paragraph  
13 (10)(A))”.

14 (b) EFFECTIVE DATE.—

15 (1) IN GENERAL.—Except as provided in para-  
16 graph (2), the amendment made by subsection (a)  
17 takes effect on January 1, 2008.

18 (2) EXCEPTION FOR STATE LEGISLATION.—In  
19 the case of a State plan under title XIX of the So-  
20 cial Security Act, which the Secretary of Health and  
21 Human Services determines requires State legisla-  
22 tion in order for the plan to meet the additional re-  
23 quirements imposed by the amendment made by  
24 subsection (a), the State plan shall not be regarded  
25 as failing to comply with the requirements of such

1 Act solely on the basis of its failure to meet these  
2 additional requirements before the first day of the  
3 first calendar quarter beginning after the close of  
4 the first regular session of the State legislature that  
5 begins after the date of enactment of this Act. For  
6 purposes of the previous sentence, in the case of a  
7 State that has a 2-year legislative session, each year  
8 of the session shall be considered to be a separate  
9 regular session of the State legislature.

### 10 **TITLE III—EFFECTIVE DATE**

#### 11 **SEC. 301. EFFECTIVE DATE.**

12 Unless otherwise provided, the amendments made by  
13 this Act shall take effect on October 1, 2007, and shall  
14 apply to child health assistance and medical assistance  
15 provided on or after that date without regard to whether  
16 or not final regulations to carry out such amendments  
17 have been promulgated by such date.

○