

110TH CONGRESS
1ST SESSION

S. 1213

To give States the flexibility to reduce bureaucracy by streamlining enrollment processes for the medicaid and State children’s health insurance programs through better linkages with programs providing nutrition and related assistance to low-income families.

IN THE SENATE OF THE UNITED STATES

APRIL 25, 2007

Mr. LUGAR (for himself, Mr. BINGAMAN, and Mrs. LINCOLN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To give States the flexibility to reduce bureaucracy by streamlining enrollment processes for the medicaid and State children’s health insurance programs through better linkages with programs providing nutrition and related assistance to low-income families.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Children’s Express
5 Lane to Health Coverage Act of 2007”.

6 **SEC. 2. FINDINGS; PURPOSE.**

7 (a) FINDINGS.—Congress finds the following:

1 (1) Despite gains made in recent years,
2 9,000,000 children in the United States are unin-
3 sured. At least 70 percent of those children are eligi-
4 ble for public health insurance coverage.

5 (2) Most low-income uninsured children are en-
6 rolled in nutrition and related programs that operate
7 under income guidelines similar to those of the Med-
8 icaid program. In fact, 71 percent of low-income un-
9 insured children are in families that receive benefits
10 through the food stamps program, the National
11 school lunch program, or the special supplemental
12 nutrition program for women, infants and children
13 (commonly referred to as “WIC”).

14 (3) The public would be well served if Federal
15 means-tested public programs were able to improve
16 administrative efficiency and coordination as well as
17 reduce unnecessary bureaucracy.

18 (4) Uninsured children would be well served if
19 their enrollment in a nutrition-based or other means-
20 tested program could serve as a gateway to health
21 coverage.

22 (5) Existing law already allows children to be
23 found income eligible for WIC based on their enroll-
24 ment in the Medicaid program. Current law does
25 not, however, give States adequate flexibility to

1 make an income determination for eligibility for the
2 Medicaid program or the State Children’s Health In-
3 surance Program based on an uninsured child’s en-
4 rollment in WIC or another public program.

5 (b) PURPOSE.—The purpose of this Act is to give
6 States the flexibility to find children income eligible for
7 the Medicaid program or State Children’s Health Insur-
8 ance Program based on findings that have already been
9 made by nutrition assistance or similar public programs
10 with comparable income standards.

11 **SEC. 3. STATE OPTION TO PROVIDE FOR SIMPLIFIED DE-**
12 **TERMINATIONS OF A CHILD’S FINANCIAL ELI-**
13 **GIBILITY FOR MEDICAL ASSISTANCE UNDER**
14 **MEDICAID OR CHILD HEALTH ASSISTANCE**
15 **UNDER SCHIP.**

16 (a) MEDICAID.—Section 1902(e) of the Social Secu-
17 rity Act (42 U.S.C. 1396a(e)) is amended by adding at
18 the end the following:

19 “(13)(A) At the option of the State, the plan
20 may provide that financial or other eligibility re-
21 quirements (including such requirements applicable
22 to redeterminations or renewals of eligibility) for
23 medical assistance are met for a child who is under
24 19 years of age (or, at State option, 20 or 21 years
25 of age) by using a determination made within a rea-

1 sonable period (as determined by the State) before
2 its use for this purpose, of the child’s family or
3 household income, or if applicable for purposes of
4 determining eligibility under this title or title XXI,
5 assets, resources, or other factual determinations
6 (notwithstanding any other provision of law, includ-
7 ing section 1903(x) and section 1137(d)), by a Fed-
8 eral or State agency, or a public or private entity
9 making such determination on behalf of such agen-
10 cy, specified by the plan, including (but not limited
11 to) an agency administering the State program
12 funded under part A of title IV, the Food Stamp
13 Act of 1977, the Richard B. Russell National School
14 Lunch Act, or the Child Nutrition Act of 1966, not-
15 withstanding any differences in budget unit, dis-
16 regard, deeming, or other methodology, but only if—

17 “(i) the agency has fiscal liabilities or re-
18 sponsibilities affected or potentially affected by
19 such determination;

20 “(ii) the agency or entity notifies the
21 child’s family—

22 “(I) of the information which shall be
23 disclosed in accordance with this subpara-
24 graph; and

1 “(II) that the information disclosed
2 will be used solely for purposes of deter-
3 mining eligibility for medical assistance
4 under this title or for child health assist-
5 ance under title XXI;

6 “(iii) interagency agreements limit the use
7 of such information to that purpose; and

8 “(iv) the requirements of section 1939 are
9 satisfied.

10 “(B) Nothing in this paragraph shall be con-
11 strued—

12 “(i) to authorize the denial of medical as-
13 sistance under this title or of child health as-
14 sistance under title XXI to a child who, without
15 the application of this paragraph, would qualify
16 for such assistance;

17 “(ii) to relieve a State of the obligation
18 under subsection (a)(8) to furnish medical as-
19 sistance with reasonable promptness after the
20 submission of an initial application that is eval-
21 uated or for which evaluation is requested pur-
22 suant to this paragraph, including an applica-
23 tion that is submitted through failure to decline
24 enrollment, as provided in subparagraph (E);

1 “(iii) to relieve a State of the obligation to
2 determine, on another basis, eligibility for med-
3 ical assistance under this title or for child
4 health assistance under title XXI if a child is
5 determined ineligible for such assistance on the
6 basis of information furnished pursuant to this
7 paragraph; or

8 “(iv) as rendering subparagraph (A) inap-
9 plicable to redeterminations or renewals of eligi-
10 bility.

11 “(C) If a State applies the eligibility process de-
12 scribed in subparagraph (A) to individuals eligible
13 under this title and to individuals eligible under title
14 XXI, the State may, at its option, implement its du-
15 ties under subparagraphs (A) and (B) of section
16 2102(b)(3) using either or both of the following ap-
17 proaches:

18 “(i) The State may—

19 “(I) establish a threshold percentage of the
20 Federal poverty level (that shall exceed the in-
21 come eligibility level applicable for a population
22 of individuals under this title by 30 percentage
23 points (as a fraction of the Federal poverty
24 level) or such other higher number of percent-
25 age points as the State determines reflects the

1 typical application of income methodologies by
2 the non-health program and the State plan
3 under this title);

4 “(II) provide that, with respect to any in-
5 dividual within such population whom a non-
6 health agency determines has income that does
7 not exceed such threshold percentage for such
8 population, such individual meets all income re-
9 quirements for eligibility for medical assistance
10 under this title (regardless of whether such in-
11 dividual would otherwise be determined to be el-
12 igible to receive such assistance); and

13 “(III) provide that, with respect to any in-
14 dividual within such population whom a non-
15 health agency determines has income that ex-
16 ceeds such threshold percentage for such popu-
17 lation, such individual has a family income that
18 exceeds the Medicaid applicable income level
19 under section 2110(b)(4), regardless of whether
20 the individual would otherwise be determined to
21 have such a family income.

22 In exercising the approaches under this clause, a
23 State shall inform families whose children are en-
24 rolled in a State child health plan under title XXI
25 based on having family income above the threshold

1 described in subclause (I) that they may qualify for
2 medical assistance under this title and, at their op-
3 tion, can seek a regular eligibility determination for
4 such assistance for their child.

5 “(ii) Regardless of whether a State otherwise
6 provides for presumptive eligibility under section
7 1920A, a State may provide presumptive eligibility
8 under this title, consistent with subsection (e) of sec-
9 tion 1920A, to a child who, based on a determina-
10 tion by a non-health agency, would qualify for child
11 health assistance under a State child health plan
12 under title XXI. During such presumptive eligibility
13 period, the State may determine the child’s eligibility
14 for medical assistance under this title, pursuant to
15 subparagraph (A) of section 2102(b)(3), based on
16 telephone contact with family members, access to
17 data available in electronic or paper form, and other
18 means of gathering information that are less bur-
19 densome to the family than completing an applica-
20 tion form on behalf of the child. The procedures de-
21 scribed in the previous sentence may be used regard-
22 less of whether the State uses similar procedures
23 under other circumstances for purposes of deter-
24 mining eligibility for medical assistance under this
25 title.

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

4 “(E)(i) At the option of a State, an individual
5 determined to be eligible for medical assistance or
6 child health assistance pursuant to subparagraph
7 (A) or (C) or other procedures through which eligi-
8 bility is determined based on data obtained from
9 sources other than the individual may receive med-
10 ical assistance under this title if such individual (or,
11 in the case of an individual under age 19 (or if the
12 State elects the option under subparagraph (A), age
13 20 or 21) who is not authorized to consent to med-
14 ical care, the individual’s parent, guardian, or other
15 caretaker relative) fails to decline enrollment after
16 receiving notice of eligibility and a reasonable oppor-
17 tunity to decline enrollment, in which case the State
18 (at its option) may waive any otherwise applicable
19 requirements for signatures by or on behalf of the
20 individual.

21 “(ii)(I) If the application of clause (i) results in
22 the enrollment of individuals in managed care orga-
23 nizations that receive capitated payments to cover
24 some or all of the cost of providing medical assist-
25 ance or child health assistance, the State shall estab-

1 lish mechanisms (including full or partial with-
2 holding of capitated payments until the managed
3 care organization documents the provision of serv-
4 ices to that individual and awarding of default en-
5 rollment shares based in significant part on such or-
6 ganization’s documentation of prior services fur-
7 nished to default enrollees) to ensure that individ-
8 uals enrolled pursuant to this subparagraph do not
9 receive fewer preventive services (including well-child
10 and well-baby visits) than do individuals enrolled in
11 such managed care organizations who are eligible for
12 medical assistance on the basis of the same general
13 eligibility category but who are not determined to be
14 so eligible pursuant to subparagraph (A) or (C).

15 “(II) For purposes of subclause (I), the term
16 ‘general eligibility category’ shall be construed as in-
17 cluding the following categories: low-income children
18 who are eligible for medical assistance based on fac-
19 tors other than disability, adults eligible for such as-
20 sistance because they are parents or other caretaker
21 relatives of dependent children, and women eligible
22 for such assistance because of pregnancy.

23 “(iii) In the case of an individual enrolled pur-
24 suant to clause (i), the State shall inform the indi-
25 vidual (or, in the case of an individual under age 18,

1 the individual’s parent, guardian, or other caretaker
2 relative) about the significance of such enrollment,
3 including appropriate methods to access covered
4 services.

5 “(iv) In the case of an individual enrolled pur-
6 suant to clause (i) who is charged premiums and
7 who does not use any health care services during the
8 first 90 days following enrollment, enrollment shall
9 be considered declined if such individual fails to pay
10 premiums during that 90 day period, in which case
11 no financial liability or penalty may apply to such
12 individual. Such an individual shall be sent a notice
13 explaining the disenrollment and offering an oppor-
14 tunity to reenroll.

15 “(F) For purposes of this paragraph—

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

19 “(ii) the term ‘non-health benefits’ means
20 the benefits or assistance provided by a non-
21 health agency.”.

22 (b) SCHIP.—Section 2107(e)(1) of the Social Secu-
23 rity Act (42 U.S.C. 1397gg(e)(1)) is amended by adding
24 at the end the following:

1 “(E) Section 1902(e)(13) (relating to the
 2 State option to base a determination of a child’s
 3 eligibility for assistance on determinations made
 4 by a non-health agency administering a pro-
 5 gram providing nutrition or other public assist-
 6 ance (except that the State option under sub-
 7 paragraph (D) of such section shall apply under
 8 this title only if an individual is pregnant)).”.

9 (c) PRESUMPTIVE ELIGIBILITY.—

10 (1) IN GENERAL.—Section 1920A of the Social
 11 Security Act (42 U.S.C. 1396r–1a) is amended—

12 (A) in subsection (b)(3)(A)(i)(II) is amend-
 13 ed—

14 (i) by striking “or” before “eligibility
 15 of a child for child health assistance”; and

16 (ii) by inserting “or is an agency or
 17 entity described in section
 18 1902(e)(13)(A),” before “(III)”;

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

20 “(e) In the case of a State with a child health plan
 21 under title XXI that provides for presumptive eligibility
 22 under such plan and under this title, the State shall place
 23 each presumptively eligible child in the program under this
 24 title or title XXI for which the child appears most likely
 25 to qualify. During the child’s period of presumptive eligi-

1 bility, the State shall receive Federal matching funds
 2 under section 1903 or section 2105, depending on the pro-
 3 gram in which the child has been placed. If at the conclu-
 4 sion of such period, the child is found to qualify for, and
 5 is enrolled in, the program established under this title or
 6 title XXI when the child was enrolled in the program
 7 under the other such title during such period, the State’s
 8 receipt of Federal matching funds shall be adjusted both
 9 retroactively and prospectively so that Federal matching
 10 funds are provided, both during and following such period
 11 of presumptive eligibility, based on the program in which
 12 the child is enrolled following the conclusion of the pre-
 13 sumptive eligibility period.”.

14 (2) PAYMENT FOR PRESUMPTIVE ELIGIBILITY
 15 FOR CHILDREN FROM THE MEDICAID OR SCHIP PRO-
 16 GRAM IN WHICH THE CHILD IS ENROLLED.—

17 (A) IN GENERAL.—Section 2105(a)(1) of
 18 such Act (42 U.S.C. 1397ee(a)(1)) is amend-
 19 ed—

20 (i) by striking subparagraph (B) and
 21 inserting the following:

22 “(B) at State option, for the provision of
 23 medical assistance to a child described in sec-
 24 tion 1902(a)(10)(A)(ii)(XIV) during a period of

1 presumptive eligibility under section 1920A;”;
2 and

3 (ii) in subparagraph (C), by inserting
4 “, including child health assistance pro-
5 vided during a period of presumptive eligi-
6 bility in accordance with section
7 2107(e)(1)(D)” after “2103”.

8 (B) RULE OF CONSTRUCTION.—Section
9 2105(a)(1)(B) of such Act (42 U.S.C.
10 1397ee(a)(1)(B)), as amended by subparagraph
11 (A)(i), shall not be construed as affecting in
12 any way the application of section 1920A(d) of
13 such Act (42 U.S.C. 1396r–1a(d)) for purposes
14 of making payments to States under section
15 1903 of such Act (42 U.S.C. 1396b) for med-
16 ical assistance provided during a period of pre-
17 sumptive eligibility in accordance with section
18 1920A of such Act (42 U.S.C. 1396r–1a).

19 (d) SIGNATURE REQUIREMENTS.—Section 1902(a)
20 of such Act (42 U.S.C. 1396a(a)) is amended by adding
21 at the end the following: “Notwithstanding any other pro-
22 vision of law, a signature under penalty of perjury shall
23 not be required on an application form for medical assist-
24 ance as to any element of eligibility for which eligibility
25 is based on information received from a source other than

1 applicant, rather than on representations from the appli-
2 cant. Notwithstanding any other provision of law, any sig-
3 nature requirement for an application for medical assist-
4 ance may be satisfied through an electronic signature, as
5 defined in section 1710(1) of the Government Paperwork
6 Elimination Act (44 U.S.C. 3504 note).”.

7 **SEC. 4. INVESTMENTS TO PROMOTE ADMINISTRATIVE EF-**
8 **FICIENCY.**

9 (a) MANAGEMENT INFORMATION SYSTEMS.—

10 (1) IN GENERAL.—Section 1903(a)(3)(A)(i) of
11 the Social Security Act (42 U.S.C.
12 1396b(a)(3)(A)(i)) is amended by inserting “(includ-
13 ing technology that enables inter-program connec-
14 tions, as defined in section 1905(y), and other tech-
15 nology that reduces the number of individuals who
16 are inaccurately granted eligibility, that increases
17 the number of individuals who are accurately grant-
18 ed eligibility, or that improves the efficiency of eligi-
19 bility determinations, under this title or title XXI)”
20 after “mechanized claims processing and information
21 retrieval systems”.

22 (2) INTER-PROGRAM CONNECTIONS DEFINED.—
23 Section 1905 of such Act (42 U.S.C. 1396d) is
24 amended by adding at the end the following:

1 “(y)(1) For purposes of section 1903(a)(3)(A)(i), the
 2 term ‘technology that enables inter-program connections’
 3 means information technology (including software and
 4 hardware) that connects systems for determining eligi-
 5 bility or storing eligibility-related data pursuant to this
 6 title or title XXI to other sources of data potentially perti-
 7 nent to eligibility determinations under this title or title
 8 XXI, including—

9 “(A) eligibility files maintained by programs de-
 10 scribed in section 1902(e)(13)(A);

11 “(B) information described in paragraph (2) or
 12 (3) of section 1137(a);

13 “(C) vital records information about births in
 14 any State; and

15 “(D) information described in sections 453(i)
 16 and 1902(a)(25)(I)(i).

17 “(2) The technology described in paragraph (1) in-
 18 cludes systems and activities involved in preparing, trans-
 19 mitting, processing, matching, analyzing, inputting, and
 20 storing information from the other sources of data de-
 21 scribed in that paragraph.”.

22 (b) AUTHORIZATION OF INFORMATION DISCLO-
 23 SURE.—

24 (1) IN GENERAL.—Title XIX of the Social Se-
 25 curity Act (42 U.S.C. 1396 et seq.) is amended—

1 (A) by redesignating section 1939 as sec-
2 tion 1940; and

3 (B) by inserting after section 1938 the fol-
4 lowing:

5 **“SEC. 1939. AUTHORIZATION TO RECEIVE PERTINENT IN-**
6 **FORMATION.**

7 “(a) IN GENERAL.—Notwithstanding any other pro-
8 vision of law, a Federal, State, or local agency or private
9 entity in possession of the other sources of data described
10 in section 1905(y) or the information described in section
11 453(i) or 1902(a)(25)(I)(i) is authorized to convey such
12 data or information to a person directly connected with
13 the administration or enforcement of a State plan under
14 this title or title XXI, consistent with the succeeding provi-
15 sions of this section.

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

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

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

3 “(A) identifying individuals who are eligi-
4 ble or potentially eligible for assistance under
5 this title or title XXI and enrolling such indi-
6 viduals in the State plans established under
7 such titles; and

8 “(B) verifying the eligibility of individuals
9 for assistance under the State plans established
10 under this title or title XXI.

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

13 “(A) prevents the unauthorized use, disclo-
14 sure, or modification of such data and other-
15 wise meets applicable Federal requirements
16 safeguarding privacy and data security; and

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

22 “(c) CRIMINAL PENALTY.—A person described in the
23 subsection (a) who publishes, divulges, discloses, or makes
24 known in any manner, or to any extent not authorized by
25 Federal law, any information obtained under this section

1 shall be fined not more than \$1,000 or imprisoned not
2 more than 1 year, or both.

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

8 (2) CONFORMING AMENDMENT TO ASSURE AC-
9 CESS TO NATIONAL NEW HIRES DATABASE.—Section
10 453(i)(1) of such Act (42 U.S.C. 653(i)(1)) is
11 amended—

12 (A) by striking “and programs” and in-
13 serting “, programs”; and

14 (B) by inserting “and State plans ap-
15 proved under title XIX or XXI” after “part
16 A,”.

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

22 (4) CONFORMING AMENDMENT TO PROVIDE AC-
23 CESS TO DATA ABOUT ENROLLMENT IN PRIVATE IN-
24 SURANCE.—Section 1902(a)(25)(I)(i) of the Social

1 Security Act (42 U.S.C. 1396a(a)(25)(I)(i)) is
2 amended—

3 (A) by inserting “(and, at State option, in-
4 dividuals who are potentially eligible or who
5 apply)” after “with respect to individuals who
6 are eligible”; and

7 (B) by inserting “under this title (and, at
8 State option, child health assistance under title
9 XXI)” after “the State plan”.

10 **SEC. 5. EFFECTIVE DATE.**

11 The amendments made by this Act take effect on Oc-
12 tober 1, 2007.

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