AMENDMENT NO. ____ Calendar No. ____

Purpose: To provide a complete substitute.

IN THE SENATE OF THE UNITED STATES—106th Cong., 1st Sess.

H.R.1802

To amend part E of title IV of the Social Security Act to provide States with more funding and greater flexibility in carrying out programs designed to help children make the transition from foster care to self-sufficiency, and for other purposes.

Referred to the Committee on ______________________ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended to be proposed by Mr. ROTH (for himself, Mr. MOYNIHAN, Ms. COLLINS, Mr. CHAFEE, and Mr. REED)

Viz:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Foster Care Independence Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—IMPROVED INDEPENDENT LIVING PROGRAM

Subtitle A—Improved Independent Living Program

Sec. 101. Improved independent living program.

Subtitle B—Related Foster Care Provision

Sec. 111. Increase in amount of assets allowable for children in foster care.
Sec. 112. Preparation of foster parents to provide for the needs of children in State care.

Subtitle C—Medicaid Amendments

Sec. 121. State option of Medicaid coverage for adolescents leaving foster care.

Subtitle D—Adoption Incentive Payments

Sec. 131. Increased funding for adoption incentive payments.

TITLE II—SSI FRAUD PREVENTION

Subtitle A—Fraud Prevention and Related Provisions

Sec. 201. Liability of representative payees for overpayments to deceased recipients.
Sec. 202. Recovery of overpayments of SSI benefits from lump sum SSI benefit payments.
Sec. 203. Additional debt collection practices.
Sec. 204. Requirement to provide State prisoner information to Federal and federally assisted benefit programs.
Sec. 205. Treatment of assets held in trust under the SSI program.
Sec. 206. Disposal of resources for less than fair market value under the SSI program.
Sec. 207. Administrative procedure for imposing penalties for false or misleading statements.
Sec. 208. Exclusion of representatives and health care providers convicted of violations from participation in social security programs.
Sec. 209. State data exchanges.
Sec. 210. Study on possible measures to improve fraud prevention and administrative processing.
Sec. 211. Annual report on amounts necessary to combat fraud.
Sec. 212. Computer matches with Medicare and Medicaid institutionalization data.
Sec. 213. Access to information held by financial institutions.

Subtitle B—Benefits For Certain World War II Veterans

Sec. 251. Establishment of program of special benefits for certain World War II veterans.

Subtitle C—Study

Sec. 261. Study of denial of SSI benefits for family farmers.

TITLE III—CHILD SUPPORT

Sec. 301. Narrowing of hold harmless provision for State share of distribution of collected child support.

TITLE IV—TECHNICAL CORRECTIONS

Sec. 401. Technical corrections relating to amendments made by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

TITLE I—IMPROVED INDEPENDENT LIVING PROGRAM

Subtitle A—Improved Independent Living Program

SEC. 101. IMPROVED INDEPENDENT LIVING PROGRAM.

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

(1) States are required to make reasonable efforts to find adoptive families for all children, including older children, for whom reunification with their biological family is not in the best interests of the child. However, some older children will continue to live in foster care. These children should be enrolled in an Independent Living program designed and conducted by State and local government to help prepare them for employment, postsecondary education, and successful management of adult responsibilities.

(2) Older children who continue to be in foster care as adolescents may become eligible for Independent Living programs. These Independent Living programs are not an alternative to adoption for these children. Enrollment in Independent Living programs can occur concurrent with continued ef-

forts to locate, and achieve placement in adoptive families for older children in foster care.

(3) About 20,000 adolescents leave the Nation's foster care system each year because they have reached 18 years of age and are expected to support themselves.

(4) Congress has received extensive information that adolescents leaving foster care have significant difficulty making a successful transition to adulthood; this information shows that children aging out of foster care show high rates of homelessness, nonmarital childbearing, poverty, and delinquent or criminal behavior; they are also frequently the target of crime and physical assaults.

(5) The Nation's State and local governments, with financial support from the Federal Government, should offer an extensive program of education, training, employment, and financial support for young adults leaving foster care, with participation in such program beginning several years before high school graduation and continuing, as needed, until the young adults emancipated from foster care establish independence or reach 21 years of age.

(b) IMPROVED INDEPENDENT LIVING PROGRAM.—Section 477 of the Social Security Act (42 U.S.C. 677) is amended to read as follows:

"SEC. 477. JOHN H. CHAFEE FOSTER CARE INDEPENDENCE PROGRAM.

"(a) PURPOSE.—The purpose of this section is to provide States with flexible funding that will enable programs to be designed and conducted—

"(1) to identify children who are likely to remain in foster care until 18 years of age and to help these children make the transition to self-sufficiency by providing services such as assistance in obtaining a high school diploma, career exploration, vocational training, job placement and retention, training in daily living skills, training in budgeting and financial management skills, substance abuse prevention, and preventive health activities (including smoking avoidance, nutrition education, and pregnancy prevention);

"(2) to help children who are likely to remain in foster care until 18 years of age receive the education, training, and services necessary to obtain employment;

"(3) to help children who are likely to remain in foster care until 18 years of age prepare for and enter postsecondary training and education institutions;

"(4) to provide personal and emotional support to children aging out of foster care, through mentors and the promotion of interactions with dedicated adults; and

"(5) to provide financial, housing, counseling, employment, education, and other appropriate support and services to former foster care recipients between 18 and 21 years of age to complement their own efforts to achieve self-sufficiency and to assure that program participants recognize and accept their personal responsibility for preparing for and then making the transition from adolescence to adulthood.

"(b) APPLICATIONS.—

"(1) IN GENERAL.—A State may apply for funds from its allotment under subsection (c) for a period of five consecutive fiscal years by submitting to the Secretary, in writing, a plan that meets the requirements of paragraph (2) and the certifications required by paragraph (3) with respect to the plan.

"(2) STATE PLAN.—A plan meets the requirements of this paragraph if the plan specifies which State agency or agencies will administer, supervise, or oversee the programs carried out under the plan, and describes how the State intends to do the following:

"(A) Design and deliver programs to achieve the purposes of this section.

"(B) Ensure that all political subdivisions in the State are served by the program, though not necessarily in a uniform manner.

"(C) Ensure that the programs serve children of various ages and at various stages of achieving independence.

"(D) Involve the public and private sectors in helping adolescents in foster care achieve independence.

"(E) Use objective criteria for determining eligibility for benefits and services under the programs, and for ensuring fair and equitable treatment of benefit recipients.

"(F) Cooperate in national evaluations of the effects of the programs in achieving the purposes of this section.

"(3) CERTIFICATIONS.—The certifications required by this paragraph with respect to a plan are the following:

"(A) A certification by the chief executive officer of the State that the State will provide assistance and services to children who have left foster care because they have attained 18 years of age, and who have not attained 21 years of age.

"(B) A certification by the chief executive officer of the State that not more than 30 percent of the amounts paid to the State from its allotment under subsection (c) for a fiscal year will be expended for room or board for children who have left foster care because they have attained 18 years of age, and who have not attained 21 years of age.

"(C) A certification by the chief executive officer of the State that none of the amounts paid to the State from its allotment under subsection (c) will be expended for room or board for any child who has not attained 18 years of age.

"(D) A certification by the chief executive officer of the State that the State will use training funds provided under the program of Federal payments for foster care and adoption assistance to provide training to help foster parents, adoptive parents, workers in group homes, and case managers understand and address the issues confronting adolescents preparing for independent living, and will, to the extent possible, coordinate such training with the independent living program conducted for adolescents.

"(E) A certification by the chief executive officer of the State that the State has consulted widely with public and private organizations in developing the plan and that the State has given all interested members of the public at least 30 days to submit comments on the plan.

"(F) A certification by the chief executive officer of the State that the State will make every effort to coordinate the State programs receiving funds provided from an allotment made to the State under subsection (c) with other Federal and State programs for youth (especially transitional living youth projects funded under part B of title III of the Juvenile Justice and Delinquency Prevention Act of 1974), abstinence education programs, local housing programs, programs for disabled youth (especially sheltered workshops), and school-to-work programs offered by high schools or local workforce agencies.

"(G) A certification by the chief executive officer of the State that each Indian tribe in the State has been consulted about the programs to be carried out under the plan; that there have been efforts to coordinate the programs with such tribes; and that benefits and services under the programs will be made available to Indian children in the State on the same basis as to other children in the State.

"(H) A certification by the chief executive officer of the State that the State will ensure that adolescents participating in the program under this section participate directly in designing their own program activities that prepare them for independent living and that the adolescents accept personal responsibility for living up to their part of the program.

"(I) A certification by the chief executive officer of the State that the State has established and will enforce standards and procedures to prevent fraud and abuse in the programs carried out under the plan.

"(4) APPROVAL.—The Secretary shall approve an application submitted by a State pursuant to paragraph (1) for a period if—

"(A) the application is submitted on or before June 30 of the calendar year in which such period begins; and

"(B) the Secretary finds that the application contains the material required by paragraph (1).

"(5) AUTHORITY TO IMPLEMENT CERTAIN AMENDMENTS; NOTIFICATION.—A State with an application approved under paragraph (4) may implement any amendment to the plan contained in the application if the application, incorporating the amendment, would be approvable under paragraph (4). Within 30 days after a State implements any such amendment, the State shall notify the Secretary of the amendment.

"(6) AVAILABILITY.—The State shall make available to the public any application submitted by the State pursuant to paragraph (1), and a brief summary of the plan contained in the application.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—From the amount specified in subsection (h) that remains after applying subsection (g)(2) for a fiscal year, the Secretary shall allot to each State with an application approved under subsection (b) for the fiscal year the amount which bears the same ratio to such remaining amount as the number of children in foster care under a program of the State in the most recent fiscal year for which such information is available bears to the total number of children in foster care in all States for such most recent fiscal year, as adjusted in accordance with paragraph (2).

"(2) HOLD HARMLESS PROVISION.—

"(A) IN GENERAL.—The Secretary shall allot to each State whose allotment for a fiscal year under paragraph (1) is less than the greater of $500,000 or the amount payable to the State under this section for fiscal year 1998, an additional amount equal to the difference between such allotment and such greater amount.

"(B) RATABLE REDUCTION OF CERTAIN ALLOTMENTS.—In the case of a State not described in subparagraph (A) of this paragraph for a fiscal year, the Secretary shall reduce the amount allotted to the State for the fiscal year under paragraph (1) by the amount that bears the same ratio to the sum of the differences determined under subparagraph (A) of this paragraph for the fiscal year as the excess of the amount so allotted over the greater of $500,000 or the amount payable to the State under this section for fiscal year 1998 bears to the sum of such excess amounts determined for all such States.

"(d) USE OF FUNDS.—

"(1) IN GENERAL.—A State to which an amount is paid from its allotment under subsection (c) may use the amount in any manner that is reasonably calculated to accomplish the purposes of this section.

"(2) NO SUPPLANTATION OF OTHER FUNDS AVAILABLE FOR SAME GENERAL PURPOSES.—The amounts paid to a State from its allotment under subsection (c) shall be used to supplement and not supplant any other funds which are available for the same general purposes in the State.

"(3) TWO-YEAR AVAILABILITY OF FUNDS.—Payments made to a State under this section for a fiscal year shall be expended by the State in the fiscal year or in the succeeding fiscal year.

"(e) PENALTIES.—

"(1) USE OF GRANT IN VIOLATION OF THIS PART.—If the Secretary is made aware, by an audit conducted under chapter 75 of title 31, United States Code, or by any other means, that a program receiving funds from an allotment made to a State under subsection (c) has been operated in a manner that is inconsistent with, or not disclosed in the State application approved under subsection (b), the Secretary shall assess a penalty against the State in an amount equal to not less than 1 percent and not more than 5 percent of the amount of the allotment.

"(2) FAILURE TO COMPLY WITH DATA REPORTING REQUIREMENT.—The Secretary shall assess a penalty against a State that fails during a fiscal year to comply with an information collection plan implemented under subsection (f) in an amount equal to not less than 1 percent and not more than 5 percent of the amount allotted to the State for the fiscal year.

"(3) PENALTIES BASED ON DEGREE OF NONCOMPLIANCE.—The Secretary shall assess penalties under this subsection based on the degree of noncompliance.

"(f) DATA COLLECTION AND PERFORMANCE MEASUREMENT.—

"(1) IN GENERAL.—The Secretary, in consultation with State and local public officials responsible for administering independent living and other child welfare programs, child welfare advocates, members of Congress, youth service providers, and researchers, shall—

"(A) develop outcome measures (including measures of educational attainment, high school diploma, employment, avoidance of dependency, homelessness, nonmarital childbirth, incarceration, and high-risk behaviors) that can be used to assess the performance of States in operating independent living programs;

"(B) identify data elements needed to track—

"(i) the number and characteristics of children receiving services under this section;

"(ii) the type and quantity of services being provided; and

"(iii) State performance on the outcome measures; and

"(C) develop and implement a plan to collect the needed information beginning with the second fiscal year beginning after the date of the enactment of this section.

"(2) REPORT TO THE CONGRESS.—Within 12 months after the date of the enactment of this section, the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report detailing the plans and timetable for collecting from the States the information described in paragraph (1) and a proposal to impose penalties consistent with paragraph (e)(2) on States that do not report data.

"(g) EVALUATIONS.—

"(1) IN GENERAL.—The Secretary shall conduct evaluations of such State programs funded under this section as the Secretary deems to be innovative or of potential national significance. The evaluation of any such program shall include information on the effects of the program on education, employment, and personal development. To the maximum extent practicable, the evaluations shall be based on rigorous scientific standards including random assignment to treatment and control groups. The Secretary is encouraged to work directly with State and local governments to design methods for conducting the evaluations, directly or by grant, contract, or cooperative agreement.

"(2) FUNDING OF EVALUATIONS.—The Secretary shall reserve 1.5 percent of the amount specified in subsection (h) for a fiscal year to carry out, during the fiscal year, evaluation, technical assistance, performance measurement, and data collection activities related to this section, directly or through grants, contracts, or cooperative agreements with appropriate entities.

"(h) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section and for payments to States under section 474(a)(4), there are authorized to be appropriated to the Secretary $140,000,000 for each fiscal year.".

(c) PAYMENTS TO STATES.—Section 474(a)(4) of such Act (42 U.S.C. 674(a)(4)) is amended to read as follows:

"(4) the lesser of—

"(A) 80 percent of the amount (if any) by which—

"(i) the total amount expended by the State during the fiscal year in which the quarter occurs to carry out programs in accordance with the State application approved under section 477(b) for the period in which the quarter occurs (including any amendment that meets the requirements of section 477(b)(5)); exceeds

"(ii) the total amount of any penalties assessed against the State under section 477(e) during the fiscal year in which the quarter occurs; or

"(B) the amount allotted to the State under section 477 for the fiscal year in which the quarter occurs, reduced by the total of the amounts payable to the State under this paragraph for all prior quarters in the fiscal year.".

(d) REGULATIONS.—Not later than 12 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall issue such regulations as may be necessary to carry out the amendments made by this section.

(e) SENSE OF THE CONGRESS.—It is the sense of the Congress that States should provide medical assistance under the State plan approved under title XIX of the Social Security Act to 18-, 19-, and 20-year-olds who have been emancipated from foster care.

Subtitle B—Related Foster Care Provision

SEC. 111. INCREASE IN AMOUNT OF ASSETS ALLOWABLE FOR CHILDREN IN FOSTER CARE.

Section 472(a) of the Social Security Act (42 U.S.C. 672(a)) is amended by adding at the end the following: "In determining whether a child would have received aid under a State plan approved under section 402 (as in effect on July 16, 1996), a child whose resources (determined pursuant to section 402(a)(7)(B), as so in effect) have a combined value of not more than $10,000 shall be considered to be a child whose resources have a combined value of not more than $1,000 (or such lower amount as the State may determine for purposes of such section 402(a)(7)(B)).".

SEC. 112. PREPARATION OF FOSTER PARENTS TO PROVIDE FOR THE NEEDS OF CHILDREN IN STATE CARE.

(a) STATE PLAN REQUIREMENT.—Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended—

(1) by striking "and" at the end of paragraph (22);

(2) by striking the period at the end of paragraph (23) and inserting "; and"; and

(3) by adding at the end the following:

"(24) include a certification that, before a child in foster care under the responsibility of the State is placed with prospective foster parents, the prospective foster parents will be prepared adequately with the appropriate knowledge and skills to provide for the needs of the child, and that such preparation will be continued, as necessary, after the placement of the child.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1999.

Subtitle C—Medicaid Amendments

SEC. 121. STATE OPTION OF MEDICAID COVERAGE FOR ADOLESCENTS LEAVING FOSTER CARE.

(a) IN GENERAL.—Subject to subsection (c), title XIX of the Social Security Act is amended—

(1) in section 1902(a)(10)(A)(ii) (42 U.S.C. 1396a(a)(10)(A)(ii))—

(A) by striking "or" at the end of subclause (XIII);

(B) by adding "or" at the end of subclause (XIV); and

(C) by adding at the end the following new subclause:

"(XV) who are independent foster care adolescents (as defined in (section 1905(v)(1)), or who are within any reasonable categories of such adolescents specified by the State;''; and

(2) by adding at the end of section 1905 (42 U.S.C. 1396d) the following new subsection:

"(v)(1) For purposes of this title, the term 'independent foster care adolescent' means an individual—

"(A) who is under 21 years of age;

"(B) who, on the individual's 18th birthday, was in foster care under the responsibility of a State; and

"(C) whose assets, resources, and income do not exceed such levels (if any) as the State may establish consistent with paragraph (2).

"(2) The levels established by a State under paragraph (1)(C) may not be less than the corresponding levels applied by the State under section 1931(b).

"(3) A State may limit the eligibility of independent foster care adolescents under section 1902(a)(10)(A)(ii)(XV) to those individuals with respect to whom foster care maintenance payments or independent living services were furnished under a program funded under part E of title IV before the date the individuals attained 18 years of age.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to medical assistance for items and services furnished on or after October 1, 1999.

(c) CONTINGENCY IN ENACTMENT.—If the Ticket to Work and Work Incentives Improvement Act of 1999 is enacted (whether before, on, or after the date of the enactment of this Act)—

(1) the amendments made by that Act shall be executed as if this Act had been enacted after the enactment of such other Act;

(2) with respect to subsection (a)(1)(A) of this section, any reference to subclause (XIII) is deemed a reference to subclause (XV);

(3) with respect to subsection (a)(1)(B) of this section, any reference to subclause (XIV) is deemed a reference to subclause (XVI);

(4) the subclause (XV) added by subsection (a)(1)(C) of this section—

(A) is redesignated as subclause (XVII); and

(B) is amended by striking "section 1905(v)(1)" and inserting "section 1905(w)(1)"; and

(5) the subsection (v) added by subsection (a)(2) of this section—

(A) is redesignated as subsection (w); and

(B) is amended by striking "1902(a)(10)(A)(ii)(XV)" and inserting "1902(a)(10)(A)(ii)(XVII)".

Subtitle D—Adoption Incentive Payments

SEC. 131. INCREASED FUNDING FOR ADOPTION INCENTIVE PAYMENTS.

(a) SUPPLEMENTAL GRANTS.—Section 473A of the Social Security Act (42 U.S.C. 673b) is amended by adding at the end the following:

"(j) SUPPLEMENTAL GRANTS.—

"(1) IN GENERAL.—Subject to the availability of such amounts as may be provided in advance in appropriations Acts, in addition to any amount otherwise payable under this section to any State that is an incentive-eligible State for fiscal year 1998, the Secretary shall make a grant to the State in an amount equal to the lesser of—

"(A) the amount by which—

"(i) the amount that would have been payable to the State under this section during fiscal year 1999 (on the basis of adoptions in fiscal year 1998) in the absence of subsection (d)(2) if sufficient funds had been available for the payment; exceeds

"(ii) the amount that, before the enactment of this subsection, was payable to the State under this section during fiscal year 1999 (on such basis); or

"(B) the amount that bears the same ratio to the dollar amount specified in paragraph (2) as the amount described by subparagraph (A) for the State bears to the aggregate of the amounts described by subparagraph (A) for all States that are incentive-eligible States for fiscal year 1998.

"(2) FUNDING.—$23,000,000 of the amounts appropriated under subsection (h)(1) for fiscal year 2000 may be used for grants under paragraph (1) of this subsection.".

(b) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—Section 473A(h)(1) of the Social Security Act (42 U.S.C. 673b(h)(1)) is amended to read as follows:

"(1) IN GENERAL.—For grants under subsection (a), there are authorized to be appropriated to the Secretary—

"(A) $20,000,000 for fiscal year 1999;

"(B) $43,000,000 for fiscal year 2000; and

"(C) $20,000,000 for each of fiscal years 2001 through 2003.".

TITLE II—SSI FRAUD PREVENTION

Subtitle A—Fraud Prevention and Related Provisions

SEC. 201. LIABILITY OF REPRESENTATIVE PAYEES FOR OVERPAYMENTS TO DECEASED RECIPIENTS.

(a) AMENDMENT TO TITLE II.—Section 204(a)(2) of the Social Security Act (42 U.S.C. 404(a)(2)) is amended by adding at the end the following new sentence: "If any payment of more than the correct amount is made to a representative payee on behalf of an individual after the individual's death, the representative payee shall be liable for the repayment of the overpayment, and the Commissioner of Social Security shall establish an overpayment control record under the social security account number of the representative payee.".

(b) AMENDMENT TO TITLE XVI.—Section 1631(b)(2) of such Act (42 U.S.C. 1383(b)(2)) is amended by adding at the end the following new sentence: "If any payment of more than the correct amount is made to a representative payee on behalf of an individual after the individual's death, the representative payee shall be liable for the repayment of the overpayment, and the Commissioner of Social Security shall establish an overpayment control record under the social security account number of the representative payee.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to overpayments made 12 months or more after the date of the enactment of this Act.

SEC. 202. RECOVERY OF OVERPAYMENTS OF SSI BENEFITS FROM LUMP SUM SSI BENEFIT PAYMENTS.

(a) IN GENERAL.—Section 1631(b)(1)(B)(ii) of the Social Security Act (42 U.S.C. 1383(b)(1)(B)(ii)) is amended—

(1) by inserting "monthly" before "benefit payments"; and

(2) by inserting "and in the case of an individual or eligible spouse to whom a lump sum is payable under this title (including under section 1616(a) of this Act or under an agreement entered into under section 212(a) of Public Law 93-66) shall, as at least one means of recovering such overpayment, make the adjustment or recovery from the lump sum payment in an amount equal to not less than the lesser of the amount of the overpayment or 50 percent of the lump sum payment," before "unless fraud".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect 12 months after the date of the enactment of this Act and shall apply to amounts incorrectly paid which remain outstanding on or after such date.

SEC. 203. ADDITIONAL DEBT COLLECTION PRACTICES.

(a) IN GENERAL.—Section 1631(b) of the Social Security Act (42 U.S.C. 1383(b)) is amended—

(1) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(2) by inserting after paragraph (3) the following:

"(4)(A) With respect to any delinquent amount, the Commissioner of Social Security may use the collection practices described in sections 3711(f), 3716, 3717, and 3718 of title 31, United States Code, and in section 5514 of title 5, United States Code, all as in effect immediately after the enactment of the Debt Collection Improvement Act of 1996.

"(B) For purposes of subparagraph (A), the term 'delinquent amount' means an amount—

"(i) in excess of the correct amount of payment under this title;

"(ii) paid to a person after such person has attained 18 years of age; and "(iii) determined by the Commissioner of Social Security, under regulations, to be otherwise unrecoverable under this section after such person ceases to be a beneficiary under this title.".

(b) CONFORMING AMENDMENTS.—Section 3701(d)(2) of title 31, United States Code, is amended by striking "section 204(f)" and inserting "sections 204(f) and 1631(b)(4)".

(c) TECHNICAL AMENDMENTS.—Section 204(f) of the Social Security Act (42 U.S.C. 404(f)) is amended—

(1) by striking "3711(e)" and inserting "3711(f)"; and

(2) by inserting "all" before "as in effect".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to debt outstanding on or after the date of the enactment of this Act.

SEC. 204. REQUIREMENT TO PROVIDE STATE PRISONER INFORMATION TO FEDERAL AND FEDERALLY ASSISTED BENEFIT PROGRAMS.

Section 1611(e)(1)(I)(ii)(II) of the Social Security Act (42 U.S.C. 1382(e)(1)(I)(ii)(II)) is amended by striking "is authorized to" and inserting "shall".

SEC. 205. TREATMENT OF ASSETS HELD IN TRUST UNDER THE SSI PROGRAM.

(a) TREATMENT AS RESOURCE.—Section 1613 of the Social Security Act (42 U.S.C. 1382b) is amended by adding at the end the following:

"Trusts

"(e)(1) In determining the resources of an individual, paragraph (3) shall apply to a trust (other than a trust described in paragraph (5)) established by the individual.

"(2)(A) For purposes of this subsection, an individual shall be considered to have established a trust if any assets of the individual (or of the individual's spouse) are transferred to the trust other than by will.

"(B) In the case of an irrevocable trust to which are transferred the assets of an individual (or of the individual's spouse) and the assets of any other person, this subsection shall apply to the portion of the trust attributable to the assets of the individual (or of the individual's spouse).

"(C) This subsection shall apply to a trust without regard to—

"(i) the purposes for which the trust is established;

"(ii) whether the trustees have or exercise any discretion under the trust;

"(iii) any restrictions on when or whether distributions may be made from the trust; or

"(iv) any restrictions on the use of distributions from the trust.

"(3)(A) In the case of a revocable trust established by an individual, the corpus of the trust shall be considered a resource available to the individual.

"(B) In the case of an irrevocable trust established by an individual, if there are any circumstances under which payment from the trust could be made to or for the benefit of the individual or the individual's spouse, the portion of the corpus from which payment to or for the benefit of the individual or the individual's spouse could be made shall be considered a resource available to the individual.

"(4) The Commissioner of Social Security may waive the application of this subsection with respect to an individual if the Commissioner determines that such application would work an undue hardship (as determined on the basis of criteria established by the Commissioner) on the individual.

"(5) This subsection shall not apply to a trust described in subparagraph (A) or (C) of section 1917(d)(4).

"(6) For purposes of this subsection—

"(A) the term 'trust' includes any legal instrument or device that is similar to a trust;

"(B) the term 'corpus' means, with respect to a trust, all property and other interests held by the trust, including accumulated earnings and any other addition to the trust after its establishment (except that such term does not include any such earnings or addition in the month in which the earnings or addition is credited or otherwise transferred to the trust); and

"(C) the term 'asset' includes any income or resource of the individual or of the individual's spouse, including—

"(i) any income excluded by section 1612(b);

"(ii) any resource otherwise excluded by this section; and

"(iii) any other payment or property to which the individual or the individual's spouse is entitled but does not receive or have access to because of action by—

"(I) the individual or spouse;

"(II) a person or entity (including a court) with legal authority to act in place of, or on behalf of, the individual or spouse; or

"(III) a person or entity (including a court) acting at the direction of, or on the request of, the individual or spouse.".

(b) TREATMENT AS INCOME.—Section 1612(a)(2) of such Act (42 U.S.C. 1382a(a)(2)) is amended—

(1) by striking "and" at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting "; and"; and

(3) by adding at the end the following:

"(G) any earnings of, and additions to, the corpus of a trust established by an individual (within the meaning of section 1613(e)), of which the individual is a beneficiary, to which section 1613(e) applies, and, in the case of an irrevocable trust, with respect to which circumstances exist under which a payment from the earnings or additions could be made to or for the benefit of the individual.".

(c) CONFORMING AMENDMENTS.—Section 1902(a)(10) of the Social Security Act (42 U.S.C. 1396a(a)(10)) is amended—

(1) by striking "and" at the end of subparagraph (E);

(2) by adding "and" at the end of subparagraph (F); and

(3) by inserting after subparagraph (F) the following:

"(G) that, in applying eligibility criteria of the supplemental security income program under title XVI for purposes of determining eligibility for medical assistance under the State plan of an individual who is not receiving supplemental security income, the State will disregard the provisions of section 1613(e);".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2000, and shall apply to trusts established on or after such date.

SEC. 206. DISPOSAL OF RESOURCES FOR LESS THAN FAIR MARKET VALUE UNDER THE SSI PROGRAM.

(a) IN GENERAL.—Section 1613(c) of the Social Security Act (42 U.S.C. 1382b(c)) is amended—

(1) in the caption, by striking "Notification of Medicaid Policy Restricting Eligibility of Institutionalized Individuals for Benefits Based on";

(2) in paragraph (1)—

(A) in subparagraph (A)—

(i) by inserting "paragraph (1) and" after "provisions of";

(ii) by striking "title XIX" the first place it appears and inserting "this title and title XIX, respectively,";

(iii) by striking "subparagraph (B)" and inserting "clause (ii)";

(iv) by striking "paragraph (2)" and inserting "subparagraph (B)";

(B) in subparagraph (B)—

(i) by striking "by the State agency"; and

(ii) by striking "section 1917(c)" and all that follows and inserting "paragraph (1) or section 1917(c)."; and

(C) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(3) in paragraph (2)—

(A) by striking "(2)" and inserting "(B)"; and

(B) by striking "paragraph (1)(B)" and inserting "subparagraph (A)(ii)";

(4) by striking "(c)(1)" and inserting "(2)(A)"; and

(5) by inserting before paragraph (2) (as so redesignated by paragraph (4) of this subsection) the following:

"(c)(1)(A)(i) If an individual or the spouse of an individual disposes of resources for less than fair market value on or after the look-back date described in clause (ii)(I), the individual is ineligible for benefits under this title for months during the period beginning on the date described in clause (iii) and equal to the number of months calculated as provided in clause (iv).

"(ii)(I) The look-back date described in this subclause is a date that is 36 months before the date described in subclause (II).

"(II) The date described in this subclause is the date on which the individual applies for benefits under this title or, if later, the date on which the individual (or the spouse of the individual) disposes of resources for less than fair market value.

"(iii) The date described in this clause is the first day of the first month in or after which resources were disposed of for less than fair market value and which does not occur in any other period of ineligibility under this paragraph.

"(iv) The number of months calculated under this clause shall be equal to—

"(I) the total, cumulative uncompensated value of all resources so disposed of by the individual (or the spouse of the individual) on or after the look-back date described in clause (ii)(I); divided by

"(II) the amount of the maximum monthly benefit payable under section 1611(b), plus the amount (if any) of the maximum State supplementary payment corresponding to the State's payment level applicable to the individual's living arrangement and eligibility category that would otherwise be payable to the individual by the Commissioner pursuant to an agreement under section 1616(a) of this Act or section 212(b) of Public Law 93–66, for the month in which occurs the date described in clause (ii)(II),

rounded, in the case of any fraction, to the nearest whole number, but shall not in any case exceed 36 months.

"(B)(i) Notwithstanding subparagraph (A), this subsection shall not apply to a transfer of a resource to a trust if the portion of the trust attributable to the resource is considered a resource available to the individual pursuant to subsection (e)(3) (or would be so considered but for the application of subsection (e)(4)).

"(ii) In the case of a trust established by an individual or an individual's spouse (within the meaning of subsection (e)), if from such portion of the trust, if any, that is considered a resource available to the individual pursuant to subsection (e)(3) (or would be so considered but for the application of subsection (e)(4)) or the residue of the portion on the termination of the trust—

"(I) there is made a payment other than to or for the benefit of the individual; or

"(II) no payment could under any circumstance be made to the individual,

then, for purposes of this subsection, the payment described in clause (I) or the foreclosure of payment described in clause (II) shall be considered a transfer of resources by the individual or the individual's spouse as of the date of the payment or foreclosure, as the case may be.

"(C) An individual shall not be ineligible for benefits under this title by reason of the application of this paragraph to a disposal of resources by the individual or the spouse of the individual, to the extent that—

"(i) the resources are a home and title to the home was transferred to—

"(I) the spouse of the transferor;

"(II) a child of the transferor who has not attained 21 years of age, or is blind or disabled;

"(III) a sibling of the transferor who has an equity interest in such home and who was residing in the transferor's home for a period of at least 1 year immediately before the date the transferor becomes an institutionalized individual; or

"(IV) a son or daughter of the transferor (other than a child described in subclause (II)) who was residing in the transferor's home for a period of at least 2 years immediately before the date the transferor becomes an institutionalized individual, and who provided care to the transferor which permitted the transferor to reside at home rather than in such an institution or facility;

"(ii) the resources—

"(I) were transferred to the transferor's spouse or to another for the sole benefit of the transferor's spouse;

"(II) were transferred from the transferor's spouse to another for the sole benefit of the transferor's spouse;

"(III) were transferred to, or to a trust (including a trust described in section 1917(d)(4)) established solely for the benefit of, the transferor's child who is blind or disabled; or

"(IV) were transferred to a trust (including a trust described in section 1917(d)(4)) established solely for the benefit of an individual who has not attained 65 years of age and who is disabled;

"(iii) a satisfactory showing is made to the Commissioner of Social Security (in accordance with regulations promulgated by the Commissioner) that—

"(I) the individual who disposed of the resources intended to dispose of the resources either at fair market value, or for other valuable consideration;

"(II) the resources were transferred exclusively for a purpose other than to qualify for benefits under this title; or

"(III) all resources transferred for less than fair market value have been returned to the transferor; or

"(iv) the Commissioner determines, under procedures established by the Commissioner, that the denial of eligibility would work an undue hardship as determined on the basis of criteria established by the Commissioner.

"(D) For purposes of this subsection, in the case of a resource held by an individual in common with another person or persons in a joint tenancy, tenancy in common, or similar arrangement, the resource (or the affected portion of such resource) shall be considered to be disposed of by the individual when any action is taken, either by the individual or by any other person, that reduces or eliminates the individual's ownership or control of such resource.

"(E) In the case of a transfer by the spouse of an individual that results in a period of ineligibility for the individual under this subsection, the Commissioner shall apportion the period (or any portion of the period) among the individual and the individual's spouse if the spouse becomes eligible for benefits under this title.

"(F) For purposes of this paragraph—

"(i) the term 'benefits under this title' includes payments of the type described in section 1616(a) of this Act and of the type described in section 212(b) of Public Law 93–66;

"(ii) the term 'institutionalized individual' has the meaning given such term in section 1917(e)(3); and

"(iii) the term 'trust' has the meaning given such term in subsection (e)(6)(A) of this section.".

(b) CONFORMING AMENDMENT.—Section 1902(a)(10) of the Social Security Act (42 U.S.C. 1396a(a)(10)), as amended by section 205(c) of this Act, is amended by striking "section 1613(e)" and inserting "subsections (c) and (e) of section 1613".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to disposals made on or after the date of the enactment of this Act.

SEC. 207. ADMINISTRATIVE PROCEDURE FOR IMPOSING PENALTIES FOR FALSE OR MISLEADING STATEMENTS.

(a) IN GENERAL.—Part A of title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by inserting after section 1129 the following:

"SEC. 1129A. ADMINISTRATIVE PROCEDURE FOR IMPOSING PENALTIES FOR FALSE OR MISLEADING STATEMENTS.

"(a) IN GENERAL.—Any person who makes, or causes to be made, a statement or representation of a material fact for use in determining any initial or continuing right to or the amount of—

"(1) monthly insurance benefits under title II; or

"(2) benefits or payments under title XVI,

that the person knows or should know is false or misleading or knows or should know omits a material fact or who makes such a statement with knowing disregard for the truth shall be subject to, in addition to any other penalties that may be prescribed by law, a penalty described in subsection (b) to be imposed by the Commissioner of Social Security.

"(b) PENALTY.—The penalty described in this subsection is—

"(1) nonpayment of benefits under title II that would otherwise be payable to the person; and

"(2) ineligibility for cash benefits under title XVI,

for each month that begins during the applicable period described in subsection (c).

"(c) DURATION OF PENALTY.—The duration of the applicable period, with respect to a determination by the Commissioner under subsection (a) that a person has engaged in conduct described in subsection (a), shall be—

"(1) six consecutive months, in the case of the first such determination with respect to the person;

"(2) twelve consecutive months, in the case of the second such determination with respect to the person; and

"(3) twenty-four consecutive months, in the case of the third or subsequent such determination with respect to the person.

"(d) EFFECT ON OTHER ASSISTANCE.—A person subject to a period of nonpayment of benefits under title

II or ineligibility for title XVI benefits by reason of this section nevertheless shall be considered to be eligible for and receiving such benefits, to the extent that the person would be receiving or eligible for such benefits but for the imposition of the penalty, for purposes of—

"(1) determination of the eligibility of the person for benefits under titles XVIII and XIX; and

"(2) determination of the eligibility or amount of benefits payable under title II or XVI to another person.

"(e) DEFINITION.—In this section, the term 'benefits under title XVI' includes State supplementary payments made by the Commissioner pursuant to an agreement under section 1616(a) of this Act or section 212(b) of Public Law 93–66.

"(f) CONSULTATIONS.—The Commissioner of Social Security shall consult with the Inspector General of the Social Security Administration regarding initiating actions under this section.".

(b) CONFORMING AMENDMENT PRECLUDING DELAYED RETIREMENT CREDIT FOR ANY MONTH TO WHICH A NONPAYMENT OF BENEFITS PENALTY APPLIES.—Section 202(w)(2)(B) of such Act (42 U.S.C. 402(w)(2)(B)) is amended—

(1) by striking "and" at the end of clause (i);

(2) by striking the period at the end of clause (ii) and inserting ", and"; and

(3) by adding at the end the following:

"(iii) such individual was not subject to a penalty imposed under section 1129A.".

(c) ELIMINATION OF REDUNDANT PROVISION.—Section 1611(e) of such Act (42 U.S.C. 1382(e)) is amended—

(1) by striking paragraph (4);

(2) in paragraph (6)(A)(i), by striking "(5)" and inserting "(4)"; and

(3) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(d) REGULATIONS.—Within 6 months after the date of the enactment of this Act, the Commissioner of Social Security shall develop regulations that prescribe the administrative process for making determinations under section 1129A of the Social Security Act (including when the applicable period in subsection (c) of such section shall commence), and shall provide guidance on the exercise of discretion as to whether the penalty should be imposed in particular cases.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to statements and representations made on or after the date of the enactment of this Act.

SEC. 208. EXCLUSION OF REPRESENTATIVES AND HEALTH CARE PROVIDERS CONVICTED OF VIOLATIONS FROM PARTICIPATION IN SOCIAL SECURITY PROGRAMS.

(a) IN GENERAL.—Part A of title XI of the Social Security Act is amended by inserting before section 1137 (42 U.S.C. 1320b–7) the following:

"EXCLUSION OF REPRESENTATIVES AND HEALTH CARE PROVIDERS CONVICTED OF VIOLATIONS FROM PARTICIPATION IN SOCIAL SECURITY PROGRAMS

"SEC. 1136. (a) IN GENERAL.—The Commissioner of Social Security shall exclude from participation in the social security programs any representative or health care provider—

"(1) who is convicted of a violation of section 208 or 1632 of this Act;

"(2) who is convicted of any violation under title 18, United States Code, relating to an initial application for or continuing entitlement to, or amount of, benefits under title II of this Act, or an initial application for or continuing eligibility for, or amount of, benefits under title XVI of this Act; or

"(3) who the Commissioner determines has committed an offense described in section 1129(a)(1) of this Act.

"(b) NOTICE, EFFECTIVE DATE, AND PERIOD OF EXCLUSION.—(1) An exclusion under this section shall be effective at such time, for such period, and upon such reasonable notice to the public and to the individual excluded as may be specified in regulations consistent with paragraph (2).

"(2) Such an exclusion shall be effective with respect to services furnished to any individual on or after the effective date of the exclusion. Nothing in this section may be construed to preclude, in determining disability under title II or title XVI, consideration of any medical evidence derived from services provided by a health care provider before the effective date of the exclusion of the health care provider under this section.

"(3)(A) The Commissioner shall specify, in the notice of exclusion under paragraph (1), the period of the exclusion.

"(B) Subject to subparagraph (C), in the case of an exclusion under subsection (a), the minimum period of exclusion shall be five years, except that the Commissioner may waive the exclusion in the case of an individual who is the sole source of essential services in a community. The Commissioner's decision whether to waive the exclusion shall not be reviewable.

"(C) In the case of an exclusion of an individual under subsection (a) based on a conviction or a determination described in subsection (a)(3) occurring on or after the date of the enactment of this section, if the individual has (before, on, or after such date of the enactment) been convicted, or if such a determination has been made with respect to the individual—

"(i) on one previous occasion of one or more offenses for which an exclusion may be effected under such subsection, the period of the exclusion shall be not less than 10 years; or

"(ii) on two or more previous occasions of one or more offenses for which an exclusion may be effected under such subsection, the period of the exclusion shall be permanent.

"(c) NOTICE TO STATE AGENCIES.—The Commissioner shall promptly notify each appropriate State agency employed for the purpose of making disability determinations under section 221 or 1633(a)—

"(1) of the fact and circumstances of each exclusion effected against an individual under this section; and

"(2) of the period (described in subsection (b)(3)) for which the State agency is directed to exclude the individual from participation in the activities of the State agency in the course of its employment.

"(d) NOTICE TO STATE LICENSING AGENCIES.—The Commissioner shall—

"(1) promptly notify the appropriate State or local agency or authority having responsibility for the licensing or certification of an individual excluded from participation under this section of the fact and circumstances of the exclusion;

"(2) request that appropriate investigations be made and sanctions invoked in accordance with applicable State law and policy; and

"(3) request that the State or local agency or authority keep the Commissioner and the Inspector General of the Social Security Administration fully and currently informed with respect to any actions taken in response to the request.

"(e) NOTICE, HEARING, AND JUDICIAL REVIEW.—(1) Any individual who is excluded (or directed to be excluded) from participation under this section is entitled to reasonable notice and opportunity for a hearing thereon by the Commissioner to the same extent as is provided in section 205(b), and to judicial review of the Commissioner's final decision after such hearing as is provided in section 205(g).

"(2) The provisions of section 205(h) shall apply with respect to this section to the same extent as it is applicable with respect to title II.

"(f) APPLICATION FOR TERMINATION OF EXCLUSION.—(1) An individual excluded from participation under this section may apply to the Commissioner, in the manner specified by the Commissioner in regulations and at the end of the minimum period of exclusion provided under subsection (b)(3) and at such other times as the Commissioner may provide, for termination of the exclusion effected under this section.

"(2) The Commissioner may terminate the exclusion if the Commissioner determines, on the basis of the conduct of the applicant which occurred after the date of the notice of exclusion or which was unknown to the Commissioner at the time of the exclusion, that—

"(A) there is no basis under subsection (a) for a continuation of the exclusion; and

"(B) there are reasonable assurances that the types of actions which formed the basis for the original exclusion have not recurred and will not recur.

"(3) The Commissioner shall promptly notify each State agency employed for the purpose of making disability determinations under section 221 or 1633(a) of the fact and circumstances of each termination of exclusion made under this subsection.

"(g) AVAILABILITY OF RECORDS OF EXCLUDED REPRESENTATIVES AND HEALTH CARE PROVIDERS.—Nothing in this section shall be construed to have the effect of limiting access by any applicant or beneficiary under title II or XVI, any State agency acting under section 221 or 1633(a), or the Commissioner to records maintained by any representative or health care provider in connection with services provided to the applicant or beneficiary prior to the exclusion of such representative or health care provider under this section.

"(h) REPORTING REQUIREMENT.—Any representative or health care provider participating in, or seeking to participate in, a social security program shall inform the Commissioner, in such form and manner as the Commissioner shall prescribe by regulation, whether such representative or health care provider has been convicted of a violation described in subsection (a).

"(i) DELEGATION OF AUTHORITY.—The Commissioner may delegate authority granted by this section to the Inspector General.

"(j) DEFINITIONS.—For purposes of this section:

"(1) EXCLUDE.—The term 'exclude' from participation means—

"(A) in connection with a representative, to prohibit from engaging in representation of an applicant for, or recipient of, benefits, as a representative payee under section 205(j) or section 1631(a)(2)(A)(ii), or otherwise as a representative, in any hearing or other proceeding relating to entitlement to benefits; and

"(B) in connection with a health care provider, to prohibit from providing items or services to an applicant for, or recipient of, benefits for the purpose of assisting such applicant or recipient in demonstrating disability.

"(2) SOCIAL SECURITY PROGRAM.—The term 'social security programs' means the program providing for monthly insurance benefits under title II, and the program providing for monthly supplemental security income benefits to individuals under title XVI (including State supplementary payments made by the Commissioner pursuant to an agreement under section 1616(a) of this Act or section 212(b) of Public Law 93–66).

"(3) CONVICTED.—An individual is considered to have been 'convicted' of a violation—

"(A) when a judgment of conviction has been entered against the individual by a Federal, State, or local court, except if the judgment of conviction has been set aside or expunged;

"(B) when there has been a finding of guilt against the individual by a Federal, State, or local court;

"(C) when a plea of guilty or nolo contendere by the individual has been accepted by a Federal, State, or local court; or

"(D) when the individual has entered into participation in a first offender, deferred adjudication, or other arrangement or program where judgment of conviction has been withheld.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to convictions of violations described in paragraphs (1) and (2) of section 1136(a) of the Social Security Act and determinations described in paragraph (3) of such section occurring on or after the date of the enactment of this Act.

SEC. 209. STATE DATA EXCHANGES.

Whenever the Commissioner of Social Security requests information from a State for the purpose of ascertaining an individual's eligibility for benefits (or the correct amount of such benefits) under title II or XVI of the Social Security Act, the standards of the Commissioner promulgated pursuant to section 1106 of such Act or any other Federal law for the use, safeguarding, and disclosure of information are deemed to meet any standards of the State that would otherwise apply to the disclosure of information by the State to the Commissioner.

SEC. 210. STUDY ON POSSIBLE MEASURES TO IMPROVE FRAUD PREVENTION AND ADMINISTRATIVE PROCESSING.

(a) STUDY.—As soon as practicable after the date of the enactment of this Act, the Commissioner of Social Security, in consultation with the Inspector General of the Social Security Administration and the Attorney General, shall conduct a study of possible measures to improve—

(1) prevention of fraud on the part of individuals entitled to disability benefits under section 223 of the Social Security Act or benefits under section 202 of such Act based on the beneficiary's disability, individuals eligible for supplemental security income benefits under title XVI of such Act, and applicants for any such benefits; and

(2) timely processing of reported income changes by individuals receiving such benefits.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Commissioner shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a written report that contains the results of the Commissioner's study under subsection (a). The report shall contain such recommendations for legislative and administrative changes as the Commissioner considers appropriate.

SEC. 211. ANNUAL REPORT ON AMOUNTS NECESSARY TO COMBAT FRAUD.

(a) IN GENERAL.—Section 704(b)(1) of the Social Security Act (42 U.S.C. 904(b)(1)) is amended—

(1) by inserting "(A)" after "(b)(1)"; and

(2) by adding at the end the following new subparagraph:

"(B) The Commissioner shall include in the annual budget prepared pursuant to subparagraph (A) an itemization of the amount of funds required by the Social Security Administration for the fiscal year covered by the budget to support efforts to combat fraud committed by applicants and beneficiaries.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to annual budgets prepared for fiscal years after fiscal year 1999.

SEC. 212. COMPUTER MATCHES WITH MEDICARE AND MEDICAID INSTITUTIONALIZATION DATA.

(a) IN GENERAL.—Section 1611(e)(1) of the Social Security Act (42 U.S.C. 1382(e)(1)) is amended by adding at the end the following:

"(J) For the purpose of carrying out this paragraph, the Commissioner of Social Security shall conduct periodic computer matches with data maintained by the Secretary of Health and Human Services under title XVIII or XIX. The Secretary shall furnish to the Commissioner, in such form and manner and under such terms as the Commissioner and the Secretary shall mutually agree, such information as the Commissioner may request for this purpose. Information obtained pursuant to such a match may be substituted for the physician's certification otherwise required under subparagraph (G)(i).".

(b) CONFORMING AMENDMENT.—Section 1611(e)(1)(G) of such Act (42 U.S.C. 1382(e)(1)(G)) is amended by striking "subparagraph (H)" and inserting "subparagraph (H) or (J)".

SEC. 213. ACCESS TO INFORMATION HELD BY FINANCIAL INSTITUTIONS.

Section 1631(e)(1)(B) of the Social Security Act (42 U.S.C. 1383(e)(1)(B)) is amended—

(1) by striking "(B) The" and inserting "(B)(i) The"; and

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

"(ii)(I) The Commissioner of Social Security may require each applicant for, or recipient of, benefits under this title to provide authorization by the applicant or recipient (or by any other person whose income or resources are material to the determination of the eligibility of the applicant or recipient for such benefits) for the Commissioner to obtain (subject to the cost reimbursement requirements of section 1115(a) of the Right to Financial Privacy Act) from any financial institution (within the meaning of section 1101(1) of such Act) any financial record (within the meaning of section 1101(2) of such Act) held by the institution with respect to the applicant or recipient (or any such other person) whenever the Commissioner determines the record is needed in connection with a determination with respect to such eligibility or the amount of such benefits.

"(II) Notwithstanding section 1104(a)(1) of the Right to Financial Privacy Act, an authorization provided by an applicant or recipient (or any other person whose income or resources are material to the determination of the eligibility of the applicant or recipient) pursuant to subclause (I) of this clause shall remain effective until the earliest of—

"(aa) the rendering of a final adverse decision on the applicant's application for eligibility for benefits under this title;

"(bb) the cessation of the recipient's eligibility for benefits under this title; or

"(cc) the express revocation by the applicant or recipient (or such other person referred to in subclause (I)) of the authorization, in a written notification to the Commissioner.

"(III)(aa) An authorization obtained by the Commissioner of Social Security pursuant to this clause shall be considered to meet the requirements of the Right to Financial Privacy Act for purposes of section 1103(a) of such Act, and need not be furnished to the financial institution, notwithstanding section 1104(a) of such Act.

"(bb) The certification requirements of section 1103(b) of the Right to Financial Privacy Act shall not apply to requests by the Commissioner of Social Security pursuant to an authorization provided under this clause.

"(cc) A request by the Commissioner pursuant to an authorization provided under this clause is deemed to meet the requirements of section 1104(a)(3) of the Right to Financial Privacy Act and the flush language of section 1102 of such Act.

"(IV) The Commissioner shall inform any person who provides authorization pursuant to this clause of the duration and scope of the authorization.

"(V) If an applicant for, or recipient of, benefits under this title (or any such other person referred to in subclause (I)) refuses to provide, or revokes, any authorization made by the applicant or recipient for the Commissioner of Social Security to obtain from any financial institution any financial record, the Commissioner may, on that basis, determine that the applicant or recipient is ineligible for benefits under this title.".

Subtitle B—Benefits For Certain World War II Veterans

SEC. 251. ESTABLISHMENT OF PROGRAM OF SPECIAL BENEFITS FOR CERTAIN WORLD WAR II VETERANS.

(a) IN GENERAL.—The Social Security Act is amended by inserting after title VII the following new title:

"TITLE VIII—SPECIAL BENEFITS FOR CERTAIN WORLD WAR II VETERANS

"TABLE OF CONTENTS

"Sec. 801. Basic entitlement to benefits.
"Sec. 802. Qualified individuals.
"Sec. 803. Residence outside the United States.
"Sec. 804. Disqualifications.
"Sec. 805. Benefit amount.
"Sec. 806. Applications and furnishing of information.
"Sec. 807. Representative payees.

"Sec. 808. Overpayments and underpayments.
"Sec. 809. Hearings and review.
"Sec. 810. Other administrative provisions.
"Sec. 811. Penalties for fraud.
"Sec. 812. Definitions.
"Sec. 813. Appropriations.

"SEC. 801. BASIC ENTITLEMENT TO BENEFITS.

"Every individual who is a qualified individual under section 802 shall, in accordance with and subject to the provisions of this title, be entitled to a monthly benefit paid by the Commissioner of Social Security for each month after September 2000 (or such earlier month, if the Commissioner determines is administratively feasible) the individual resides outside the United States.

"SEC. 802. QUALIFIED INDIVIDUALS.

"Except as otherwise provided in this title, an individual—

"(1) who has attained the age of 65 on or before the date of the enactment of this title;

"(2) who is a World War II veteran;

"(3) who is eligible for a supplemental security income benefit under title XVI for—

"(A) the month in which this title is enacted; and

"(B) the month in which the individual files an application for benefits under this title;

"(4) whose total benefit income is less than 75 percent of the Federal benefit rate under title XVI;

"(5) who has filed an application for benefits under this title; and

"(6) who is in compliance with all requirements imposed by the Commissioner of Social Security under this title,

shall be a qualified individual for purposes of this title.

"SEC. 803. RESIDENCE OUTSIDE THE UNITED STATES.

"For purposes of section 801, with respect to any month, an individual shall be regarded as residing outside the United States if, on the first day of the month, the individual so resides outside the United States.

"SEC. 804. DISQUALIFICATIONS.

"(a) IN GENERAL.—Notwithstanding section 802, an individual may not be a qualified individual for any month—

"(1) that begins after the month in which the Commissioner of Social Security is notified by the Attorney General that the individual has been removed from the United States pursuant to section 237(a) or 212(a)(6)(A) of the Immigration and Nationality Act and before the month in which the individual is lawfully admitted to the United States for permanent residence;

"(2) during any part of which the individual is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the United States or the jurisdiction within the United States from which the person has fled, for a crime, or an attempt to commit a crime, that is a felony under the laws of the place from which the individual has fled, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

"(3) during any part of which the individual violates a condition of probation or parole imposed under Federal or State law; or

"(4) during which the individual resides in a foreign country and is not a citizen or national of the United States if payments for such month to individuals residing in such country are withheld by the Treasury Department under section 3329 of title 31, United States Code.

"(b) REQUIREMENT FOR ATTORNEY GENERAL.—For the purpose of carrying out subsection (a)(1), the Attorney General shall notify the Commissioner of Social Security as soon as practicable after the removal of any individual under section 237(a) or 212(a)(6)(A) of the Immigration and Nationality Act.

"SEC. 805. BENEFIT AMOUNT.

"The benefit under this title payable to a qualified individual for any month shall be in an amount equal to 75 percent of the Federal benefit rate under title XVI for the month, reduced by the amount of the qualified individual's benefit income for the month.

"SEC. 806. APPLICATIONS AND FURNISHING OF INFORMATION.

"(a) IN GENERAL.—The Commissioner of Social Security shall, subject to subsection (b), prescribe such requirements with respect to the filing of applications, the furnishing of information and other material, and the reporting of events and changes in circumstances, as may be necessary for the effective and efficient administration of this title.

"(b) VERIFICATION REQUIREMENT.—The requirements prescribed by the Commissioner of Social Security under subsection (a) shall preclude any determination of entitlement to benefits under this title solely on the basis of declarations by the individual concerning qualifications or other material facts, and shall provide for verification of material information from independent or collateral sources, and the procurement of additional information as necessary in order to ensure that the benefits are provided only to qualified individuals (or their representative payees) in correct amounts.

"SEC. 807. REPRESENTATIVE PAYEES.

"(a) IN GENERAL.—If the Commissioner of Social Security determines that the interest of any qualified individual under this title would be served thereby, payment of the qualified individual's benefit under this title may be made, regardless of the legal competency or incompetency of the qualified individual, either directly to the qualified individual, or for his or her benefit, to another person (the meaning of which term, for purposes of this section, includes an organization) with respect to whom the requirements of subsection (b) have been met (in this section referred to as the qualified individual's 'representative payee'). If the Commissioner of Social Security determines that a representative payee has misused any benefit paid to the representative payee pursuant to this section, section 205(j), or section 1631(a)(2), the Commissioner of Social Security shall promptly revoke the person's designation as the qualified individual's representative payee under this subsection, and shall make payment to an alternative representative payee or, if the interest of the qualified individual under this title would be served thereby, to the qualified individual.

"(b) EXAMINATION OF FITNESS OF PROSPECTIVE REPRESENTATIVE PAYEE.—

"(1) Any determination under subsection (a) to pay the benefits of a qualified individual to a representative payee shall be made on the basis of—

"(A) an investigation by the Commissioner of Social Security of the person to serve as representative payee, which shall be conducted in advance of the determination and shall, to the extent practicable, include a face-to-face interview with the person (or, in the case of an organization, a representative of the organization); and

"(B) adequate evidence that the arrangement is in the interest of the qualified individual.

"(2) As part of the investigation referred to in paragraph (1), the Commissioner of Social Security shall—

"(A) require the person being investigated to submit documented proof of the identity of the person;

"(B) in the case of a person who has a social security account number issued for purposes of the program under title II or an employer identification number issued for purposes of the Internal Revenue Code of 1986, verify the number;

"(C) determine whether the person has been convicted of a violation of section 208, 811, or 1632; and

"(D) determine whether payment of benefits to the person in the capacity as representative payee has been revoked or terminated pursuant to this section, section 205(j), or section 1631(a)(2)(A)(iii) by reason of misuse of funds paid as benefits under this title, title II, or XVI, respectively.

"(c) REQUIREMENT FOR MAINTAINING LISTS OF UNDESIRABLE PAYEES.—The Commissioner of Social Security shall establish and maintain lists which shall be updated periodically and which shall be in a form that renders such lists available to the servicing offices of the Social Security Administration. The lists shall consist of—

"(1) the names and (if issued) social security account numbers or employer identification numbers of all persons with respect to whom, in the capacity of representative payee, the payment of benefits has been revoked or terminated under this section, section 205(j), or section 1631(a)(2)(A)(iii) by reason of misuse of funds paid as benefits under this title, title II, or XVI, respectively; and

"(2) the names and (if issued) social security account numbers or employer identification numbers of all persons who have been convicted of a violation of section 208, 811, or 1632.

"(d) PERSONS INELIGIBLE TO SERVE AS REPRESENTATIVE PAYEES.—

"(1) IN GENERAL.—The benefits of a qualified individual may not be paid to any other person pursuant to this section if—

"(A) the person has been convicted of a violation of section 208, 811, or 1632;

"(B) except as provided in paragraph (2), payment of benefits to the person in the capacity of representative payee has been revoked or terminated under this section, section 205(j), or section 1631(a)(2)(A)(ii) by reason of misuse of funds paid as benefits under this title, title II, or title XVI, respectively; or

"(C) except as provided in paragraph (2)(B), the person is a creditor of the qualified individual and provides the qualified individual with goods or services for consideration.

"(2) EXEMPTIONS.—

"(A) The Commissioner of Social Security may prescribe circumstances under which the Commissioner of Social Security may grant an exemption from paragraph (1) to any person on a case-by-case basis if the exemption is in the best interest of the qualified individual whose benefits would be paid to the person pursuant to this section.

"(B) Paragraph (1)(C) shall not apply with respect to any person who is a creditor referred to in such paragraph if the creditor is—

"(i) a relative of the qualified individual and the relative resides in the same household as the qualified individual;

"(ii) a legal guardian or legal representative of the individual;

"(iii) a facility that is licensed or certified as a care facility under the law of the political jurisdiction in which the qualified individual resides;

"(iv) a person who is an administrator, owner, or employee of a facility referred to in clause (iii), if the qualified individual resides in the facility, and the payment to the facility or the person is made only after the Commissioner of Social Security has made a good faith effort to locate an alternative representative payee to whom payment would serve the best interests of the qualified individual; or

"(v) a person who is determined by the Commissioner of Social Security, on the basis of written findings and pursuant to procedures prescribed by the Commissioner of Social Security, to be acceptable to serve as a representative payee.

"(C) The procedures referred to in subparagraph (B)(v) shall require the person who will serve as representative payee to establish, to the satisfaction of the Commissioner of Social Security, that—

"(i) the person poses no risk to the qualified individual;

"(ii) the financial relationship of the person to the qualified individual poses no substantial conflict of interest; and

"(iii) no other more suitable representative payee can be found.

"(e) DEFERRAL OF PAYMENT PENDING APPOINTMENT OF REPRESENTATIVE PAYEE.—

"(1) IN GENERAL.—Subject to paragraph (2), if the Commissioner of Social Security makes a determination described in the first sentence of subsection (a) with respect to any qualified individual's benefit and determines that direct payment of the benefit to the qualified individual would cause substantial harm to the qualified individual, the Commissioner of Social Security may defer (in the case of initial entitlement) or suspend (in the case of existing entitlement) direct payment of the benefit to the qualified individual, until such time as the selection of a representative payee is made pursuant to this section.

"(2) TIME LIMITATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any deferral or suspension of direct payment of a benefit pursuant to paragraph (1) shall be for a period of not more than 1 month.

"(B) EXCEPTION IN THE CASE OF INCOMPETENCY.—Subparagraph (A) shall not apply in any case in which the qualified individual is, as of the date of the Commissioner of Social Security's determination, legally incompetent under the laws of the jurisdiction in which the individual resides.

"(3) PAYMENT OF RETROACTIVE BENEFITS.—Payment of any benefits which are deferred or suspended pending the selection of a representative payee shall be made to the qualified individual or the representative payee as a single sum or over such period of time as the Commissioner of Social Security determines is in the best interest of the qualified individual.

"(f) HEARING.—Any qualified individual who is dissatisfied with a determination by the Commissioner of Social Security to make payment of the qualified individual's benefit to a representative payee under subsection (a) of this section or with the designation of a particular person to serve as representative payee shall be entitled to a hearing by the Commissioner of Social Security to the same extent as is provided in section 809(a), and to judicial review of the Commissioner of Social Security's final decision as is provided in section 809(b).

"(g) NOTICE REQUIREMENTS.—

"(1) IN GENERAL.—In advance, to the extent practicable, of the payment of a qualified individual's benefit to a representative payee under subsection (a), the Commissioner of Social Security shall provide written notice of the Commissioner's initial determination to so make the payment. The notice shall be provided to the qualified individual, except that, if the qualified individual is legally incompetent, then the notice shall be provided solely to the legal guardian or legal representative of the qualified individual.

"(2) SPECIFIC REQUIREMENTS.—Any notice required by paragraph (1) shall be clearly written in language that is easily understandable to the reader, shall identify the person to be designated as the qualified individual's representative payee, and shall explain to the reader the right under subsection (f) of the qualified individual or of the qualified individual's legal guardian or legal representative—

"(A) to appeal a determination that a representative payee is necessary for the qualified individual;

"(B) to appeal the designation of a particular person to serve as the representative payee of the qualified individual; and

"(C) to review the evidence upon which the designation is based and to submit additional evidence.

"(h) ACCOUNTABILITY MONITORING.—

"(1) IN GENERAL.—In any case where payment under this title is made to a person other than the qualified individual entitled to the payment, the Commissioner of Social Security shall establish a system of accountability monitoring under which the person shall report not less often than annually with respect to the use of the payments. The Commissioner of Social Security shall establish and implement statistically valid procedures for reviewing the reports in order to identify instances in which persons are not properly using the payments.

"(2) SPECIAL REPORTS.—Notwithstanding paragraph (1), the Commissioner of Social Security may require a report at any time from any person receiving payments on behalf of a qualified individual, if the Commissioner of Social Security has reason to believe that the person receiving the payments is misusing the payments.

"(3) MAINTAINING LISTS OF PAYEES.—The Commissioner of Social Security shall maintain lists which shall be updated periodically of—

"(A) the name, address, and (if issued) the social security account number or employer identification number of each representative payee who is receiving benefit payments pursuant to this section, section 205(j), or section 1631(a)(2); and

"(B) the name, address, and social security account number of each individual for whom each representative payee is reported to be providing services as representative payee pursuant to this section, section 205(j), or section 1631(a)(2).

"(4) MAINTAINING LISTS OF AGENCIES.—The Commissioner of Social Security shall maintain lists, which shall be updated periodically, of public agencies and community-based nonprofit social service agencies which are qualified to serve as representative payees pursuant to this section and which are located in the jurisdiction in which any qualified individual resides.

"(i) RESTITUTION.—In any case where the negligent failure of the Commissioner of Social Security to investigate or monitor a representative payee results in misuse of benefits by the representative payee, the Commissioner of Social Security shall make payment to the qualified individual or the individual's alternative representative payee of an amount equal to the misused benefits. The Commissioner of Social Security shall make a good faith effort to obtain restitution from the terminated representative payee.

"SEC. 808. OVERPAYMENTS AND UNDERPAYMENTS.

"(a) IN GENERAL.—Whenever the Commissioner of Social Security finds that more or less than the correct amount of payment has been made to any person under this title, proper adjustment or recovery shall be made, as follows:

"(1) With respect to payment to a person of more than the correct amount, the Commissioner of Social Security shall decrease any payment—

"(A) under this title to which the overpaid person (if a qualified individual) is entitled, or shall require the overpaid person or his or her estate to refund the amount in excess of the correct amount, or, if recovery is not obtained under these 2 methods, shall seek or pursue recovery by means of reduction in tax refunds based on notice to the Secretary of the Treasury, as authorized under section 3720A of title 31, United States Code; or

"(B) under title II to recover the amount in excess of the correct amount, if the person is not currently eligible for payment under this title.

"(2) With respect to payment of less than the correct amount to a qualified individual who, at the time the Commissioner of Social Security is prepared to take action with respect to the underpayment—

"(A) is living, the Commissioner of Social Security shall make payment to the qualified individual (or the qualified individual's representative payee designated under section 807) of the balance of the amount due the underpaid qualified individual; or

"(B) is deceased, the balance of the amount due shall revert to the general fund of the Treasury.

"(b) NO EFFECT ON TITLE VIII ELIGIBILITY OR BENEFIT AMOUNT.—In any case in which the Commissioner of Social Security takes action in accordance with subsection (a)(1)(B) to recover an amount incorrectly paid to an individual, that individual shall not, as a result of such action—

"(1) become qualified for benefits under this title; or

"(2) if such individual is otherwise so qualified, become qualified for increased benefits under this title.

"(c) WAIVER OF RECOVERY OF OVERPAYMENT.—In any case in which more than the correct amount of payment has been made, there shall be no adjustment of payments to, or recovery by the United States from, any person who is without fault if the Commissioner of Social Security determines that the adjustment or recovery would defeat the purpose of this title or would be against equity and good conscience.

"(d) LIMITED IMMUNITY FOR DISBURSING OFFICERS.—A disbursing officer may not be held liable for any amount paid by the officer if the adjustment or recovery of the amount is waived under subsection (b), or adjustment under subsection (a) is not completed before the death of the qualified individual against whose benefits deductions are authorized.

"(e) AUTHORIZED COLLECTION PRACTICES.—

"(1) IN GENERAL.—With respect to any delinquent amount, the Commissioner of Social Security may use the collection practices described in sections 3711(e), 3716, and 3718 of title 31, United States Code, as in effect on October 1, 1994.

"(2) DEFINITION.—For purposes of paragraph (1), the term 'delinquent amount' means an amount—

"(A) in excess of the correct amount of the payment under this title; and

"(B) determined by the Commissioner of Social Security to be otherwise unrecoverable under this section from a person who is not a qualified individual under this title.

"SEC. 809. HEARINGS AND REVIEW.

"(a) HEARINGS.—

"(1) IN GENERAL.—The Commissioner of Social Security shall make findings of fact and decisions as to the rights of any individual applying for payment under this title. The Commissioner of Social Security shall provide reasonable notice and opportunity for a hearing to any individual who is or claims to be a qualified individual and is in disagreement with any determination under this title with respect to entitlement to, or the amount of, benefits under this title, if the individual requests a hearing on the matter in disagreement within 60 days after notice of the determination is received, and, if a hearing is held, shall, on the basis of evidence adduced at the hearing affirm, modify, or reverse the Commissioner of Social Security's findings of fact and the decision. The Commissioner of Social Security may, on the Commissioner of Social Security's own motion, hold such hearings and conduct such investigations and other proceedings as the Commissioner of Social Security deems necessary or proper for the administration of this title. In the course of any hearing, investigation, or other proceeding, the Commissioner may administer oaths and affirmations, examine witnesses, and receive evidence. Evidence may be received at any hearing before the Commissioner of Social Security even though inadmissible under the rules of evidence applicable to court procedure. The Commissioner of Social Security shall specifically take into account any physical, mental, educational, or linguistic limitation of the individual (including any lack of facility with the English language) in determining, with respect to the entitlement of the individual for benefits under this title, whether the individual acted in good faith or was at fault, and in determining fraud, deception, or intent.

"(2) EFFECT OF FAILURE TO TIMELY REQUEST REVIEW.—A failure to timely request review of an initial adverse determination with respect to an application for any payment under this title or an adverse determination on reconsideration of such an initial determination shall not serve as a basis for denial of a subsequent application for any payment under this title if the applicant demonstrates that the applicant failed to so request such a review acting in good faith reliance upon incorrect, incomplete, or misleading information, relating to the consequences of reapplying for payments in lieu of seeking review of an adverse determination, provided by any officer or employee of the Social Security Administration.

"(3) NOTICE REQUIREMENTS.—In any notice of an adverse determination with respect to which a review may be requested under paragraph (1), the Commissioner of Social Security shall describe in clear and specific language the effect on possible entitlement to benefits under this title of choosing to reapply in lieu of requesting review of the determination.

"(b) JUDICIAL REVIEW.—The final determination of the Commissioner of Social Security after a hearing under subsection (a)(1) shall be subject to judicial review as provided in section 205(g) to the same extent as the Commissioner of Social Security's final determinations under section 205.

"SEC. 810. OTHER ADMINISTRATIVE PROVISIONS.

"(a) REGULATIONS AND ADMINISTRATIVE ARRANGEMENTS.—The Commissioner of Social Security may prescribe such regulations, and make such administrative and other arrangements, as may be necessary or appropriate to carry out this title.

"(b) PAYMENT OF BENEFITS.—Benefits under this title shall be paid at such time or times and in such installments as the Commissioner of Social Security determines are in the interests of economy and efficiency.

"(c) ENTITLEMENT REDETERMINATIONS.—An individual's entitlement to benefits under this title, and the amount of the benefits, may be redetermined at such time or times as the Commissioner of Social Security determines to be appropriate.

"(d) SUSPENSION AND TERMINATION OF BENEFITS.—Regulations prescribed by the Commissioner of Social Security under subsection (a) may provide for the suspension and termination of entitlement to benefits under this title as the Commissioner determines is appropriate.

"SEC. 811. PENALTIES FOR FRAUD.

"(a) IN GENERAL.—Whoever—

"(1) knowingly and willfully makes or causes to be made any false statement or representation of a material fact in an application for benefits under this title;

"(2) at any time knowingly and willfully makes or causes to be made any false statement or representation of a material fact for use in determining any right to the benefits;

"(3) having knowledge of the occurrence of any event affecting—

"(A) his or her initial or continued right to the benefits; or

"(B) the initial or continued right to the benefits of any other individual in whose behalf he or she has applied for or is receiving the benefit,

conceals or fails to disclose the event with an intent fraudulently to secure the benefit either in a greater amount or quantity than is due or when no such benefit is authorized; or

"(4) having made application to receive any such benefit for the use and benefit of another and having received it, knowingly and willfully converts the benefit or any part thereof to a use other than for the use and benefit of the other individual,

shall be fined under title 18, United States Code, imprisoned not more than 5 years, or both.

"(b) RESTITUTION BY REPRESENTATIVE PAYEE.—If a person or organization violates subsection (a) in the person's or organization's role as, or in applying to become, a representative payee under section 807 on behalf of a qualified individual, and the violation includes a willful misuse of funds by the person or entity, the court may also require that full or partial restitution of funds be made to the qualified individual.

"SEC. 812. DEFINITIONS.

"In this title:

"(1) WORLD WAR II VETERAN.—The term 'World War II veteran' means a person who—

"(A) served during World War II—

"(i) in the active military, naval, or air service of the United States during World War II; or

"(ii) in the organized military forces of the Government of the Commonwealth of the Philippines, while the forces were in the service of the Armed Forces of the United States pursuant to the military order of the President dated July 26, 1941, including among the military forces organized guerrilla forces under commanders appointed, designated, or subsequently recognized by the Commander in Chief, Southwest Pacific Area, or other competent authority in the Army of the United States, in any case in which the service was rendered before December 31, 1946; and

"(B) was discharged or released therefrom under conditions other than dishonorable—

"(i) after service of 90 days or more; or

"(ii) because of a disability or injury incurred or aggravated in the line of active duty.

"(2) WORLD WAR II.—The term 'World War II' means the period beginning on September 16, 1940, and ending on July 24, 1947.

"(3) SUPPLEMENTAL SECURITY INCOME BENEFIT UNDER TITLE XVI.—The term 'supplemental security income benefit under title XVI', except as otherwise provided, includes State supplementary payments which are paid by the Commissioner of Social Security pursuant to an agreement under section 1616(a) of this Act or section 212(b) of Public Law 93–66.

"(4) FEDERAL BENEFIT RATE UNDER TITLE XVI.—The term 'Federal benefit rate under title XVI' means, with respect to any month, the amount of the supplemental security income cash benefit (not including any State supplementary payment which is paid by the Commissioner of Social Security pursuant to an agreement under section 1616(a) of this Act or section 212(b) of Public Law 93–66) payable under title XVI for the month to an eligible individual with no income.

"(5) UNITED STATES.—The term 'United States' means, notwithstanding section 1101(a)(1), only the 50 States, the District of Columbia, and the Commonwealth of the Northern Mariana Islands.

"(6) BENEFIT INCOME.—The term 'benefit income' means any recurring payment received by a qualified individual as an annuity, pension, retirement, or disability benefit (including any veterans' compensation or pension, workmen's compensation payment, old-age, survivors, or disability insurance benefit, railroad retirement annuity or pension, and unemployment insurance benefit), but only if a similar payment was received by the individual from the same (or a related) source during the 12-month period preceding the month in which the individual files an application for benefits under this title.

"SEC. 813. APPROPRIATIONS.

"There are hereby appropriated for fiscal year 2000 and subsequent fiscal years, out of any funds in the Treasury not otherwise appropriated, such sums as may be necessary to carry out this title.".

(b) CONFORMING AMENDMENTS.—

(1) SOCIAL SECURITY TRUST FUNDS LAE ACCOUNT.—Section 201(g) of such Act (42 U.S.C. 401(g)) is amended—

(A) in the fourth sentence of paragraph (1)(A), by inserting after "this title," the following: "title VIII,";

(B) in paragraph (1)(B)(i)(I), by inserting after "this title," the following: "title VIII,"; and

(C) in paragraph (1)(C)(i), by inserting after "this title," the following: "title VIII,".

(2) REPRESENTATIVE PAYEE PROVISIONS OF TITLE II.—Section 205(j) of such Act (42 U.S.C. 405(j)) is amended—

(A) in paragraph (1)(A), by inserting "807 or" before "1631(a)(2)";

(B) in paragraph (2)(B)(i)(I), by inserting ", title VIII," before "or title XVI";

(C) in paragraph (2)(B)(i)(III), by inserting ", 811," before "or 1632";

(D) in paragraph (2)(B)(i)(IV)—

(i) by inserting ", the designation of such person as a representative payee has been revoked pursuant to section 807(a)," before "or payment of benefits"; and

(ii) by inserting ", title VIII," before "or title XVI";

(E) in paragraph (2)(B)(ii)(I)—

(i) by inserting "whose designation as a representative payee has been revoked pursuant to section 807(a)," before "or with respect to whom"; and

(ii) by inserting ", title VIII," before "or title XVI";

(F) in paragraph (2)(B)(ii)(II), by inserting ", 811," before "or 1632";

(G) in paragraph (2)(C)(i)(II), by inserting ", the designation of such person as a representative payee has been revoked pursuant to section 807(a)," before "or payment of benefits";

(H) in each of clauses (i) and (ii) of paragraph (3)(E), by inserting ", section 807," before "or section 1631(a)(2)";

(I) in paragraph (3)(F), by inserting "807 or" before "1631(a)(2)"; and

(J) in paragraph (4)(B)(i), by inserting "807 or" before "1631(a)(2)".

(3) WITHHOLDING FOR CHILD SUPPORT AND ALIMONY OBLIGATIONS.—Section 459(h)(1)(A) of such Act (42 U.S.C. 659(h)(1)(A)) is amended—

(A) at the end of clause (iii), by striking "and";

(B) at the end of clause (iv), by striking "but" and inserting "and"; and

(C) by adding at the end a new clause as follows:

"(v) special benefits for certain World War II veterans payable under title VIII; but".

(4) SOCIAL SECURITY ADVISORY BOARD.—Section 703(b) of such Act (42 U.S.C. 903(b)) is amended by striking "title II" and inserting "title II, the program of special benefits for certain World War II veterans under title VIII,".

(5) DELIVERY OF CHECKS.—Section 708 of such Act (42 U.S.C. 908) is amended—

(A) in subsection (a), by striking "title II" and inserting "title II, title VIII,"; and

(B) in subsection (b), by striking "title II" and inserting "title II, title VIII,".

(6) CIVIL MONETARY PENALTIES.—Section 1129 of such Act (42 U.S.C. 1320a–8) is amended—

(A) in the title, by striking "II" and inserting "II, VIII";

(B) in subsection (a)(1)—

(i) by striking "or" at the end of subparagraph (A);

(ii) by redesignating subparagraph (B) as subparagraph (C); and

(iii) by inserting after subparagraph (A) the following new subparagraph:

"(B) benefits or payments under title VIII, or";

(C) in subsection (a)(2), by inserting "or title VIII," after "title II";

(D) in subsection (e)(1)(C)—

(i) by striking "or" at the end of clause (i);

(ii) by redesignating clause (ii) as clause (iii); and

(iii) by inserting after clause (i) the following new clause:

"(ii) by decrease of any payment under title VIII to which the person is entitled, or";

(E) in subsection (e)(2)(B), by striking "title XVI" and inserting "title VIII or XVI"; and

(F) in subsection (l), by striking "title XVI" and inserting "title VIII or XVI".

(7) RECOVERY OF SSI OVERPAYMENTS.—Section 1147 of such Act (42 U.S.C. 1320b–17) is amended—

(A) in subsection (a)(1)—

(i) by inserting "or VIII" after "title II" the first place it appears; and

(ii) by striking "title II" the second place it appears and inserting "such title"; and

(B) in the heading, by striking " SOCIAL SECURITY" and inserting "OTHER ".

(8) RECOVERY OF SOCIAL SECURITY OVERPAYMENTS.—Part A of title XI of the Social Security Act is amended by inserting after section 1147 (42 U.S.C. 1320b–17) the following new section:

"RECOVERY OF SOCIAL SECURITY BENEFIT OVERPAYMENTS FROM TITLE VIII BENEFITS

"SEC. 1147A. Whenever the Commissioner of Social Security determines that more than the correct amount of any payment has been made under title II to an individual who is not currently receiving benefits under that title but who is receiving benefits under title VIII, the Commissioner may recover the amount incorrectly paid under title II by decreasing any amount which is payable to the individual under title VIII.".

(9) REPRESENTATIVE PAYEE PROVISIONS OF TITLE XVI.—Section 1631(a)(2) of such Act (42 U.S.C. 1383(a)(2)) is amended—

(A) in subparagraph (A)(iii), by inserting "or 807" after "205(j)(1)";

(B) in subparagraph (B)(ii)(I), by inserting ", title VIII," before "or this title";

(C) in subparagraph (B)(ii)(III), by inserting ", 811," before "or 1632";

(D) in subparagraph (B)(ii)(IV)—

(i) by inserting "whether the designation of such person as a representative payee has been revoked pursuant to section 807(a)," before "and whether certification"; and

(ii) by inserting ", title VIII," before "or this title";

(E) in subparagraph (B)(iii)(II), by inserting "the designation of such person as a representative payee has been revoked pursuant to section 807(a)," before "or certification"; and

(F) in subparagraph (D)(ii)(II)(aa), by inserting "or 807" after "205(j)(4)".

(10) ADMINISTRATIVE OFFSET.—Section 3716(c)(3)(C) of title 31, United States Code, is amended—

(A) by striking "sections 205(b)(1)" and inserting "sections 205(b)(1), 809(a)(1),"; and

(B) by striking "either title II" and inserting "title II, VIII,".

Subtitle C—Study

SEC. 261. STUDY OF DENIAL OF SSI BENEFITS FOR FAMILY FARMERS.

(a) IN GENERAL.—The Commissioner of Social Security shall conduct a study of the reasons why family farmers with resources of less than $100,000 are denied supplemental security income benefits under title XVI of the Social Security Act, including whether the deeming process unduly burdens and discriminates against family farmers who do not institutionalize a disabled dependent, and shall determine the number of such farmers who have been denied such benefits during each of the preceding 10 years.

(b) REPORT TO THE CONGRESS.—Within 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall prepare and submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report that contains the results of the study, and the determination, required by subsection (a).

TITLE III—CHILD SUPPORT

SEC. 301. NARROWING OF HOLD-HARMLESS PROVISION FOR STATE SHARE OF DISTRIBUTION OF COLLECTED CHILD SUPPORT.

(a) IN GENERAL.—Section 457(d) of the Social Security Act (42 U.S.C. 657(d)) is amended to read as follows:

"(d) HOLD HARMLESS PROVISION.—If—

"(1) the State share of amounts collected in the fiscal year which could be retained to reimburse the State for amounts paid to families as assistance by the State is less than the State share of such amounts collected in fiscal year 1995 (determined in accordance with section 457 as in effect on August 21, 1996); and

"(2)(A) the State has distributed to families that include an adult receiving assistance under the program under part A at least 80 percent of the current support payments collected during the preceding fiscal year on behalf of such families, and the amounts distributed were disregarded in determining the amount or type of assistance provided under the program under part A; or

"(B) the State has distributed to families that formerly received assistance under the program under part A the State share of the amounts collected pursuant to section 464 that could have been retained as reimbursement for assistance paid to such families,

then the State share otherwise determined for the fiscal year shall be increased by an amount equal to ½ of the amount (if any) by which the State share for fiscal year 1995 exceeds the State share for the fiscal year (determined without regard to this subsection).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective with respect to calendar quarters occurring during the period that begins on October 1, 1998, and ends on September 30, 2001.

(c) REPEAL.—Effective October 1, 2001, section 457 of the Social Security Act (42 U.S.C. 657) is amended—

(1) in subsection (a), by striking "subsections (e) and (f)" and inserting "subsections (d) and (e)";

(2) by striking subsection (d);

(3) in subsection (e), by striking the second sentence; and

(4) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

TITLE IV—TECHNICAL CORRECTIONS

SEC. 401. TECHNICAL CORRECTIONS RELATING TO AMENDMENTS MADE BY THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996.

(a) Section 402(a)(1)(B)(iv) of the Social Security Act (42 U.S.C. 602(a)(1)(B)(iv)) is amended by striking "Act" and inserting "section".

(b) Section 409(a)(7)(B)(i)(II) of the Social Security Act (42 U.S.C. 609(a)(7)(B)(i)(II)) is amended by striking "part" and inserting "section".

(c) Section 413(g)(1) of the Social Security Act (42 U.S.C. 613(g)(1)) is amended by striking "Act" and inserting "section".

(d) Section 416 of the Social Security Act (42 U.S.C. 616) is amended by striking "Opportunity Act" and inserting "Opportunity Reconciliation Act" each place such term appears.

(e) Section 431(a)(6) of the Social Security Act (42 U.S.C. 629a(a)(6)) is amended—

(1) by inserting ", as in effect before August 22, 1986" after "482(i)(5)"; and

(2) by inserting ", as so in effect" after "482(i)(7)(A)".

(f) Sections 452(a)(7) and 466(c)(2)(A)(i) of the Social Security Act (42 U.S.C. 652(a)(7) and 666(c)(2)(A)(i)) are each amended by striking "Social Security" and inserting "social security".

(g) Section 454 of the Social Security Act (42 U.S.C. 654) is amended—

(1) by striking ", or" at the end of each of paragraphs (6)(E)(i) and (19)(B)(i) and inserting "; or";

(2) in paragraph (9), by striking the comma at the end of each of subparagraphs (A), (B), and (C) and inserting a semicolon; and

(3) by striking ", and" at the end of each of paragraphs (19)(A) and (24)(A) and inserting "; and".

(h) Section 454(24)(B) of the Social Security Act (42 U.S.C. 654(24)(B)) is amended by striking "Opportunity Act" and inserting "Opportunity Reconciliation Act".

(i) Section 344(b)(1)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2236) is amended to read as follows:

"(A) in paragraph (1), by striking subparagraph (B) and inserting the following:

'(B) equal to the percent specified in paragraph (3) of the sums expended during such quarter that are attributable to the planning, design, development, installation or enhancement of an automatic data processing and information retrieval system (including in such sums the full cost of the hardware components of such system); and'; and".

(j) Section 457(a)(2)(B)(i)(I) of the Social Security Act (42 U.S.C. 657(a)(2)(B)(i)(I)) is amended by striking "Act Reconciliation" and inserting "Reconciliation Act".

(k) Section 457 of the Social Security Act (42 U.S.C. 657) is amended by striking "Opportunity Act" each place it appears and inserting "Opportunity Reconciliation Act".

(l) Effective on the date of the enactment of this Act, section 404(e) of the Social Security Act (42 U.S.C. 604(e)) is amended by inserting "or tribe" after "State" the first and second places it appears, and by inserting "or tribal" after "State" the third place it appears.

(m) Section 466(a)(7)(A) of the Social Security Act (42 U.S.C. 666(a)(7)(A)) is amended by striking "1681a(f))" and inserting "1681a(f)))".

(n) Section 466(b)(6)(A) of the Social Security Act (42 U.S.C. 666(b)(6)(A)) is amended by striking "state" and inserting "State".

(o) Section 471(a)(8) of the Social Security Act (42 U.S.C. 671(a)(8)) is amended by striking "(including activities under part F)".

(p) Section 1137(a)(3) of the Social Security Act (42 U.S.C. 1320b–7(a)(3)) is amended by striking "453A(a)(2)(B)(iii))" and inserting "453A(a)(2)(B)(ii)))".

(q) Except as provided in subsection (l), the amendments made by this section shall take effect as if included in the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2105).