RESTORING HEALTH INSURANCE TO LEGAL IMMIGRANT CHILDREN

- This proposal would allow states to extend the non-emergency Medicaid and CHIP health coverage to legal immigrant children that was denied under welfare reform.[1]
- It would begin to address one of the main factors causing the recent alarming decline in Medicaid caseloads.
- This decline is occurring even though the number of uninsured children and families continues to grow.
- We have estimated that this proposal would allow states to cover xxxxxx more children under their Medicaid and CHIP programs.
- It is short-sighted to continue to deny health coverage and endanger the development of legal immigrant children who are here to stay, and will be relied on to contribute to our country's future.
- This proposal further corrects the flawed, anti-legal immigrant approach of welfare reform by restoring important health coverage to all otherwise eligible immigrant children.

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[1]. PRWORA made most legal immigrants (except refugees, asylees, veterans, etc.) entering the country after 8/22/96 ineligible for non-emergency Medicaid and CHIP for their first 5 years in the country. In addition, new affidavit of support and deeming rules make it likely that most of these legal immigrants will remain ineligible for Medicaid until citizenship or meeting the "40-quarters of work" exemption.

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

June 9, 1998

The Honorable Albert Gore, Jr.
President of the Senate
Washington, D.C. 20510

Dear Mr. President:

Enclosed for the consideration of the Congress is the Administration's draft bill, the "Medicaid and Children's Health Improvement Amendments of 1998". The bill supports the President's Budget for FY 1999.

The bill would amend titles XIX and XXI of the Social Security Act to give States the option to extend benefits under Medicaid, or under Medicaid and the Children's Health Insurance Program (CHIP), to legal immigrant children who entered the United States on or after August 22, 1996. This proposal would provide $230 million over five years to fill a significant gap in health care coverage for low-income working immigrant families who entered the United States on or after August 22, 1996, who are now denied Medicaid and CHIP eligibility under welfare reform rules.

Also, the bill would amend title XXI of the Social Security Act to provide more equitable CHIP funding to our Nation's territorial jurisdictions, a measure that the President said he would work with the Congress to make when he signed the Balanced Budget spending bill last year. The Administration had initially proposed that 1.5 percent of the funding be allocated to these areas -- a share approximately equal to their percentage of our country's population. The law only allotted a very inequitable .25 percent. This bill would provide $153 million over five years (and $283 million over nine years) in additional funds to be distributed among the territories in proportion to their CHIP allotment percentage. It would effectively increase the share now provided to them to a more equitable 1.05 percent.

The Omnibus Budget Reconciliation Act of 1990 (OBRA) requires that all revenue and direct spending legislation meet a pay-as-you-go (PAYGO) requirement. That is, no such bill should result in an increase in the deficit; and if it does, it could contribute to a sequester if it is not fully offset.

This proposal would affect direct spending as shown below; therefore, it is subject to the PAYGO requirement.

	FISCAL YEARS (dollars in millions)					
	1999	2000	2001	2002	2003	99-03
Outlays	59.2	69.2	84.2	80.2	90.2	383

This proposal is fully offset in the President's FY 1999 Budget and should be considered in conjunction with all other PAYGO proposals in the Budget. The Administration will work closely with the Congress on this and other PAYGO legislation to avoid a sequester of mandatory programs.

We urge the Congress to give the draft bill its prompt and favorable consideration.

The Office of Management and Budget has advised that there is no objection to the submission of this legislative proposal to the Congress, and that its enactment would be in accord with the program of the President.

Sincerely,

Donna E. Shalala

Enclosure

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

June 9, 1998

The Honorable Newt Gingrich
Speaker of the House
of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

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The Office of Management and Budget has advised that there is no objection to the submission of this legislative proposal to the Congress, and that its enactment would be in accord with the program of the President.

Sincerely,

Donna E. Shalala

Enclosure

A BILL

To amend titles XIX and XXI of the Social Security Act to give States the option of providing medical assistance to certain legal immigrant children, to increase allotments to territories under the Children's Health Insurance Program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Medicaid and Children's Health Improvement Amendments of 1998".

SEC. 2. STATE OPTION TO COVER LEGAL IMMIGRANT CHILDREN UNDER MEDICAID AND THE CHILDREN'S HEALTH INSURANCE PROGRAM.

(a) MEDICAID.—Section 1902(a)(10)(A)(ii) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

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

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

(3) by adding after subclause (XIV) the following new subclause:

"(XV) who are described in section 1905(a)(i) and who would be eligible for medical assistance (or for a greater amount of medical assistance) under the State plan under this title but for any or all of the provisions of section 403 or section 421 of

Public Law 104-193, (but the State may not exercise such option with respect to a subcategory of such individuals);".

(b) CHILDREN'S HEALTH INSURANCE PROGRAM.—Section 2110(b) of the Social Security Act (42 U.S.C. 1397jj(b)) is amended—

(1) in paragraph (1)(A), by inserting before the semicolon "(including, at the option of the State, a child described in paragraph (3)(B))"; and

(2) in paragraph (3)—

(A) by striking "SPECIAL RULE.—" and inserting "SPECIAL RULES.—"

(B) by designating the remainder of the text as subparagraph (A) and indenting accordingly below the paragraph heading;

(C) by adding the following after the subparagraph designation "(A)": "HEALTH INSURANCE COVERAGE.—"; and

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

"(B) ELIGIBILITY FOR LEGAL IMMIGRANT CHILDREN.—For purposes of paragraph (1)(A), a child is described in this subparagraph if—

"(i) the child would be determined eligible for child health assistance under this title but for any or all of the provisions of section 403 or section 421 of Public Law 104-193; and

"(ii) the State exercises the option to

provide medical assistance to the category of individuals described in section 1902(a)(10)(A)(ii)(XV).".

SEC. 3. INCREASED ALLOTMENTS UNDER CHILDREN'S HEALTH INSURANCE PROGRAM FOR TERRITORIES.

Section 2104(c) of the Social Security Act (42 U.S.C. 1397dd(c)) is amended by adding at the end the following new paragraph:

"(4) ADDITIONAL ALLOTMENT.—

"(A) IN GENERAL.—In addition to the allotment under paragraph (1), the Secretary shall allot each commonwealth and territory described in paragraph (3) the applicable percentage specified in paragraph (2) of the amount appropriated under subparagraph (B).

"(B) APPROPRIATION.—For purposes of providing allotments pursuant to subparagraph (A), there is appropriated, out of any money in the Treasury not otherwise appropriated—

"(i) $34,200,000 for each of fiscal years 1999 through 2001;

"(ii) $25,200,000 for each of fiscal years 2002 through 2004;

"(iii) $32,400,000 for each of fiscal years 2005 and 2006; and

"(iv) $40,000,000 for fiscal year 2007.".

Irene, I plan on notify OMB of our support, with either this doc. or a more formal Dept. submission

DRAFT

ALLOW STATES TO PROVIDE MEDICAID/CHIP TO ALL LEGAL IMMIGRANT CHILDREN

The President's FY 1999 Budget included a proposal to allow states to provide Medicaid and CHIP assistance to all legal immigrant ("qualified alien") children, regardless of when they entered the country. **We recommend including this proposal in the FY 2000 President's Budget.**

Medicaid and CHIP are programs that we have determined provide "federal means-tested public benefits" under PRWORA. As such, they are subject to the new PRWORA (and IIRIRA) immigrant eligibility restrictions: primarily the 5 year eligibility ban for those entering after 8/22/96; and deeming until citizenship for those entering after December 17, 1997 with the new legally binding affidavits of support. Thus, this proposal would essentially exempt legal immigrant children entering after 8/22/96 from the 5-year eligibility ban and the deeming until citizenship provisions that prevent them from becoming eligible for Medicaid/CHIP.

As originally proposed by HHS, the policy would have also allowed states to disregard the reimbursement requirements under section 213A(e) of the INA (related to new affidavits of support), with respect to either all sponsors or sponsors who meet financial hardship criteria set by the state (see Attachment A). Subsequent to OMB passback guidance, this option regarding reimbursement was dropped from the proposal. We continue to believe that such a policy on sponsor reimbursement is necessary in order to ensure that children potentially eligible under the proposal will not be dissuaded from seeking assistance due to fears of subsequent reimbursement requirements on their sponsors (which are often their parents or other close relatives). This is reinforced by recent information indicating that the reimbursement requirements related to the new affidavit of support may be significantly reducing utilization of state/local-funded benefits by "post-8/22/96" immigrants. For example, Illinois is terminating it's state-funded Food Stamp program for these immigrants because of low utilization, and they cite this sponsor reimbursement fear of legal immigrants as one of the primary factors inhibiting utilization (in addition to "public charge" fears). **Therefore, we strongly recommend including the proposal as originally presented by HHS in order to maximize the probability of achieving our policy goal of increasing the Medicaid/CHIP coverage of legal immigrant children.**

We also note that this policy is consistent with Administration policy enunciated in several pre-PRWORA and IIRIRA Statements of Administration Policies, as well as the President's Statement at the signing of PRWORA (see Attachment B). In addition, the Administration's welfare reform proposals in 1994 and 1996 did not extend deeming or affidavits of support to Medicaid. Thus, since the Administration's position has been that new sponsor deeming and affidavit of support rules should not apply to medical assistance programs, this proposal can be viewed as only a partial, albeit important, implementation of Administration policy goals related to benefit eligibility of legal immigrants.

Last year, this proposal was estimated to cost $230 million over 5 years.

Attachments

ATTACHMENT A

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Office of the General Counsel
Legislation Division
Washington, D.C. 20201

March 23, 1998

NOTE TO BOB PELLICCI (OMB)

Re: Administration draft bill, the "Medicaid and Children's Health Improvement Amendments of 1998"

Attached for OMB review is the above-captioned draft bill together with a draft Speaker letter. Please advise us of the relationship of the draft bill to the legislative program of the President.

Thank you.

Thayer Nelson
(202) 690-7773

Attachment

DRAFT

The Honorable Newt Gingrich
Speaker of the House
of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

Enclosed for the consideration of the Congress is the Administration's draft bill, the "Medicaid and Children's Health Improvement Amendments of 1998". The bill supports the President's Budget for FY 1999.

The bill would amend titles XIX and XXI of the Social Security Act to give States the option to extend benefits under Medicaid or the Children's Health Insurance Program (CHIP), or both, to legal immigrant children who entered the United States on or after August 22, 1996. This proposal would fill a significant gap in health care coverage for low-income working immigrant families who entered the United States on or after August 22, 1996, who are now denied Medicaid and CHIP eligibility under welfare reform rules.

The bill would also allow States to disregard provisions of the Immigration and Nationality Act that would require States to seek reimbursement from sponsors for Medicaid or CHIP benefits provided to sponsored aliens (including legal immigrant children). This proposal would allow a State to disregard the reimbursement requirements for all such sponsors or for those who meet financial hardship criteria set by the State.

Finally, the bill would amend title XXI of the Social Security Act to increase CHIP funding to the territories. Specifically, the bill would provide $152 million in additional funds to be distributed among the territories in proportion to their CHIP allotment percentages.

We urge the Congress to give the draft bill its prompt and favorable consideration.

The Office of Management and Budget has advised that there is no objection to the submission of this legislative proposal to the Congress, and that its enactment would be in accord with the

program of the President.

Sincerely,

Donna E. Shalala

Enclosure

DRAFT

A BILL

To amend titles XIX and XXI of the Social Security Act to give States the option of providing medical assistance to certain legal immigrant children, to increase allotments to territories under the Children's Health Insurance Program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Medicaid and Children's Health Improvement Amendments of 1998".

SEC. 2. STATE OPTION TO COVER LEGAL IMMIGRANT CHILDREN UNDER MEDICAID AND THE CHILDREN'S HEALTH INSURANCE PROGRAM.

(a) MEDICAID.—Section 1902(a)(10)(A)(ii) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

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

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

(3) by adding after subclause (XIV) the following new subclause:

"(XV) who is a child described in section 1905(a)(i) who would be eligible

under the State plan under this title but for any or all of the provisions of sections 403 or 421 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996;".

(b) CHILDREN'S HEALTH INSURANCE PROGRAM.—Section 2110(b)(1)(A) of the Social Security Act (42 U.S.C. 1397jj(b)(1)(A)) is amended by inserting before the semicolon "(including, at the option of the State, a child who would be so determined but for any or all of the provisions of sections 403 or 421 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996)".

SEC. 3. STATE OPTION TO DISREGARD REIMBURSEMENT REQUIREMENT FOR SPONSORS OF MEDICAID AND CHILDREN'S HEALTH INSURANCE PROGRAM RECIPIENTS.

(a) MEDICAID.—Section 1902(a)(25) of the Social Security Act (42 U.S.C. 1396a(a)(25)) is amended—

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

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

(3) by adding after subparagraph (I) the following new subparagraph:

"(J) (if the State so chooses) that the State will

disregard the requirements of section 213A(e) of the Immigration and Nationality Act with respect to—

(i) all sponsors that would otherwise be required to reimburse the State for benefits provided to a sponsored alien under a State plan under this title; or

"(ii) those sponsors described in clause (i) that have experienced unforeseen financial hardship, as determined by the State;".

(b) CHILDREN'S HEALTH INSURANCE PROGRAM.—Section 2107 of the Social Security Act (42 U.S.C. 1397gg) is amended by adding after subsection (e) the following new subsection:

"(f) OPTION TO DISREGARD REIMBURSEMENT REQUIREMENT.—A State child health plan shall provide (if the State so chooses) that the State will disregard the requirements of section 213A(e) of the Immigration and Nationality Act with respect to—

"(1) all sponsors that would otherwise be required to reimburse the State for benefits provided to a sponsored alien under a State plan under this title; or

"(2) those sponsors described in paragraph (1) that have experienced unforeseen financial hardship, as determined by the State.".

SEC. 4. INCREASED ALLOTMENTS UNDER CHILDREN'S HEALTH INSURANCE PROGRAM FOR TERRITORIES.

Section 2104(c) of the Social Security Act (42 U.S.C. 1397dd(c)) is amended by adding at the end the following new paragraph:

"(4) ADDITIONAL ALLOTMENT.—

"(A) IN GENERAL.—In addition to the allotment under paragraph (1), the Secretary shall allot each commonwealth and territory described in paragraph (3) the applicable percentage specified in paragraph (2) of the amount appropriated under subparagraph (B).

"(B) APPROPRIATION.—For purposes of providing allotments pursuant to subparagraph (A), there is appropriated, out of any money in the Treasury not otherwise appropriated, $30,400,000 for each of fiscal years 1999 through 2003.".

ATTACHMENT B

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

June 19, 1996

The Honorable Lamar Smith
Chairman, Immigration Subcommittee
Committee on the Judiciary
U. S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

We wish to take this opportunity to advise you of our views on certain provisions in H.R. 2202, currently pending in conference. This letter expands on the letter you received from the Department of Justice on H.R. 2202 dated May 31, 1996. In this letter, we address only those provisions that would create a number of new eligibility restrictions for legal and illegal aliens under a wide variety of assistance programs.

The Administration believes strongly in the need for bipartisan legislation to deter illegal immigration, but we continue to have major concerns with specific provisions in the House and Senate versions that would restrict the eligibility of *legal immigrants* for certain benefits and services. The Administration's views on the final legislation adopted by the Congress will ultimately depend on whether it maintains an adequate and fair safety net for legal immigrants and does not impose massive new costs and mandates on State and local governments.

I. Extending Deeming To Other Programs And Services

While we support strengthening the deeming rules under the major cash and food assistance programs, we oppose the broad application of deeming to numerous and varied programs, and oppose the repeal of current exemptions from deeming, such as those provided to aliens who become severely disabled after entry. We support a balanced approach that reduces welfare utilization by sponsored immigrants without turning our back on the goal of family reunification that has been a cornerstone of our modern immigration policies, and without imposing substantial administrative costs and burdens on State and local governments, and other entities.

(A) Medicaid And Other Public Health Programs

We continue to strongly oppose broadening the application of deeming rules from a well-defined set of cash and food assistance programs to nearly all Federal means-tested programs, including Medicaid and (under the Senate version) emergency medical services under Medicaid and other public health programs. Denying legal aliens access to Medicaid, emergency services under Medicaid, and preventive and primary care services could endanger the overall public health. Without early detection and intervention, many preventable diseases could spread to the community as a whole.

Also, denying legal aliens (primarily women and children) routine and relatively inexpensive preventive and primary care could increase utilization of emergency care services and could result in more expensive medical treatment. Hospitals and other providers, including State and local governments, are likely to be burdened with these increased costs.

In addition--unlike cash, food, or shelter--medical services cannot be easily shared by a sponsor with an alien. Furthermore, the current, employment-based market for individual and group health insurance does not provide access to all consumers. This reality could make it difficult to obtain health insurance for some sponsored legal aliens, even when their sponsors are financially able and willing to purchase health insurance for them.

At a minimum, the programs or organizations exempted from deeming should include all of those listed in both the House and Senate versions of H.R. 2202. In particular, the House version includes exemptions for emergency medical services under Medicaid and other public health programs, while the Senate version exempts nonprofit charitable organizations and certain community-based providers. We believe that all of these exemptions should be included in the conference report. Similarly, new deeming rules should apply only to sponsors and aliens who sign new, legally binding affidavits of support, as called for in the House version.

(B) Protecting Aliens Who Become Severely Disabled After Entry Into The U.S.

Current deeming rules exempt legal aliens who become severely disabled after entry into the United States. This policy recognizes that while sponsors should be held responsible for supporting the aliens they sponsor, they cannot possibly foresee circumstances that result in legal aliens becoming severely disabled. For example, a sponsored legal alien child or adult may suffer severe disabilities as a result of a car accident. Current law recognizes that this exemption is reasonable and necessary to support our policy of family reunification.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program. An identical letter is being sent to Senators Alan K. Simpson and Edward M. Kennedy, Representative John Bryant, and a copy to House and Senate Conferees.

Sincerely,

Robert B. Reich
Secretary of Labor

Donna E. Shalala
Secretary of Health and Human Services

Shirley S. Chater
Commissioner of Social Security

Office of the Deputy Attorney General
Washington, D.C. 20530

May 31, 1996

The Honorable Alan K. Simpson
Chairman, Subcommittee on Immigration
Committee on the Judiciary
U.S. Senate
Washington, D.C. 20510

Dear Mr. Chairman:

This letter presents the views of the Administration on H.R. 2202, the "Immigration Control and Financial Responsibility Act of 1996". The Administration is reversing decades of neglect in controlling illegal immigration. Many of the provisions in both the House and Senate bills would ratify the Administration's efforts in the field to combat illegal immigration. The Administration's four-part strategy calls for regaining control of our borders; protecting U.S. workers through worksite enforcement; aggressively removing criminal and other deportable aliens; and obtaining the resources that are necessary to make the strategy work. Both the House and Senate bills contain many provisions that support the Administration's enforcement initiatives and are based on or similar to the Administration's legislative and budget proposals.

We look forward to working with the conference committee to craft a strong, fair, and effective immigration bill. However, H.R. 2202 raises serious concerns in specific areas that we hope the conference committee will examine thoroughly. In addition, a number of amendments to the Immigration and Nationality Act (INA) made by the Antiterrorism and Effective Death Penalty Act of 1996, Pub. L. 104 -132, present substantial obstacles to the effective enforcement of the immigration laws. The conference committee has an opportunity to remedy some of those problems with a careful and more comprehensive approach to amending the INA. The Administration's views include, but are not limited to the following:

♦ The House-passed bill could result in the removal of many children from schools. Children denied education are more likely to engage in crime and other anti-social behavior and could fall prey to drug dealers and gangs. If H.R. 2202 were presented to the President with provisions that would jeopardize any child's right to full participation in public elementary and secondary education, including pre-school and school lunch programs, the Secretary of Education and the Attorney General would recommend

that the bill be vetoed. We urge the conference committee to adopt the Senate position.

- The Administration opposes providing welfare benefits to illegal immigrants and has effectively targeted its enforcement efforts at the cash and food assistance programs which are at risk for the most abuse. H.R. 2202, however, goes too far in limiting benefits to legal immigrants and therefore could jeopardize public health. The Administration strongly opposes broadening the application of deeming rules and the "public charge" provision from a well-defined set of cash assistance programs to nearly all means-tested programs including Medicaid and emergency medical services, child protective services, student financial assistance programs for postsecondary education, veterans benefits, and scores of additional programs. In addition, the Administration opposes applying the new deeming and eligibility restrictions to current program recipients as well as the disabled who are exempt under current law.

- We urge the conference committee to adopt the Senate provision which authorizes the hiring of 350 additional Wage and Hour investigators to enforce current Federal wage and hour laws in areas where there are high concentrations of illegal immigrants employed. We urge the conference committee to adopt the House position on increasing penalties for and enforcement of employer sanctions. Similar increases should be included for the enforcement of laws against immigration-related employment discrimination.

- Both the House and the Senate have made clear their intention to separate the issues of illegal and legal immigration. Consistent with that clear intent, we urge the conferees to drop Section 806 of the House bill, which deals with criteria for admission of one class of employment-based nonimmigrants (H-1B workers). Not only does the inclusion of this section in a bill on illegal immigration entangle two issues the Congress has decided to keep separate, but the provisions of Section 806 simply go in the wrong direction, eliminating essential U.S. worker protections in current law, which are already inadequate. These amendments would have the overall effect of substantially weakening protections for U.S. workers from unfair competition with foreign temporary workers rather than fixing serious flaws in the existing H-1B program.

- We urge the conference committee to adopt special exclusion authority that may be invoked at the discretion of the Attorney General in extraordinary migration situations and for interdictions at sea that permits the prompt removal of inadmissible aliens and includes a fair process for assessing

DISCUSSION OF SOME OF THE KEY ISSUES

Denying Public Education to Undocumented Children

Denying an education to any child is costly, to the child and to our country. Undocumented alien children could grow up to become illiterate, unskilled adults if they are denied schooling. Such individuals would be unable to participate effectively in our economy, which relies increasingly on a highly skilled workforce, and would swell the ranks of the unemployed and those dependent on public assistance. In addition, as President Clinton has stated, children denied education are more likely to engage in crime and other antisocial behavior. This view is widely shared throughout the law enforcement community. Opponents of this provision include the Executive Director of the National Association of Police Organizations, Inc., the National President of the Fraternal Order of Police, the Los Angeles County Sheriff, the Superintendent of Police for the City of Chicago, and the International Secretary-Treasurer and Legislative Liaison for the International Union of Police Associations AFL-CIO. Moreover, it is fundamentally unfair to punish children--possibly for the rest of their lives--for the conduct of their parents, which they are powerless to control. Finally, requiring school districts and the INS to verify the immigration status of public school students would be extremely burdensome and would divert carefully targeted resources from other enforcement priorities including border enforcement and criminal alien removal.

Benefits

H.R. 2202's approach to immigrants' eligibility for benefits is preferable to the approach taken in H.R. 4, the welfare reform bill, which would have imposed an outright ban on benefits for most legal immigrants. However, the approach taken in H.R. 2202 is at variance with the Administration's position as stated in our welfare reform proposal, and therefore, the Administration opposes these provisions. By requiring states to apply new deeming rules to scores of programs including Medicaid, emergency medical services within Medicaid, child protection services, and student financial assistance for postsecondary education, H.R. 2202, as passed by the Senate, could jeopardize public health and safety and could create a significant unfunded mandate on local and state governments. Furthermore, the Senate bill's deeming provisions would establish an inequitable situation where legal immigrants could no longer receive benefits for which undocumented immigrants would still be eligible such as Medicaid's emergency medical services.

We urge the conference committee to clarify that non-U.S. citizens residing abroad should not be considered "ineligible aliens" for purposes of entitlement to various federal benefits,

bill. The Administration is committed to working with the Congress to provide strong, fair, and effective measures for addressing illegal immigration to the United States.

Sincerely,

Jamie S. Gorelick
Deputy Attorney General

cc: The Honorable Orrin G. Hatch
The Honorable Strom Thurmond
The Honorable Charles E. Grassley
The Honorable Arlen Specter
The Honorable Jon L. Kyl
The Honorable Edward M. Kennedy
The Honorable Patrick J. Leahy
The Honorable Paul Simon
The Honorable Herbert H. Kohl
The Honorable Dianne Feinstein

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

July 18, 1996

The Honorable Pete V. Domenici
Chairman, Committee on the Budget
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I am writing to transmit the Administration's views on S. 1956, the "Personal Responsibility, Work Opportunity, and Medicaid Restructuring Act of 1996."

We understand that the Senate Republican leadership plans to move to strike the Medicaid provisions of this reconciliation legislation -- leaving a welfare-only bill for Senate floor consideration.

We are pleased with this decision to separate welfare reform from provisions to repeal Medicaid's guarantee of health care for the elderly, the poor, pregnant women, and people with disabilities. We hope that removing this "poison pill" from welfare reform is a breakthrough that shows that the Republican leadership seriously wants to pass bipartisan welfare reform this year.

Enacting bipartisan welfare reform reflecting the principles of work, family, and responsibility is among the Administration's highest priorities. For the past three-and-a-half years, the President has demonstrated his commitment to enacting real welfare reform by working with Congress to enact legislation that moves people from welfare to work, encourages responsibility, and protects children. The Administration sent Congress a stand-alone welfare bill that requires welfare recipients to work, imposes strict time limits on welfare, toughens child support enforcement, is fair to children, and is consistent with the President's commitment to balance the budget.

The Administration is pleased that the bill makes many of the important improvements to H.R. 4 that we recommended -- improvements also included in the bipartisan National Governors' Association (NGA) and Breaux-Chafee proposals. The Senate bill improves upon the bill that the House is now considering. We urge the Senate to build on these improvements, and to continue the bipartisan spirit displayed in last year's debate on welfare reform. At the same time, however, the Administration is deeply concerned about certain provisions of S. 1956 that would adversely affect benefits for Food Stamp households and legal immigrants, as well as the need for strong State accountability and flexibility. And, the bill would still raise taxes on millions of workers by cutting the Earned Income Tax Credit (EITC).

Cuts in Food Stamps and benefits to legal immigrants are particularly deep. The President's Budget demonstrates that cuts of this size are not necessary to achieve real welfare reform, nor are they needed to balance the budget.

- Food Stamps. The Administration strongly opposes the inclusion of a Food Stamp block grant option, which could seriously undermine the Federal nature of the program, jeopardizing the nutrition and health of millions of children, working families, and the elderly, and eliminating the program's ability to respond to economic changes. The Administration also is concerned that the bill makes deep cuts in the Food Stamp program, including a cut in benefits to households with high shelter costs that disproportionately affects families with children, and a four-month time limit on childless adults who are willing to work but are not offered a work slot.

- Legal Immigrants. The bill retains the excessively harsh and uncompromising immigration provisions of last year's vetoed bill. While we support the strengthening of requirements on the sponsors of legal immigrants applying for SSI, Food Stamps, and Aid to Families with Dependent Children (AFDC), the bill bans SSI and Food Stamps for virtually all legal immigrants, and imposes a five-year ban on most other Federal programs, including non-emergency Medicaid, for new legal immigrants. These bans would even cover legal immigrants who become disabled after entering the country, families with children, and current recipients. The bill would deny benefits to 300,000 immigrant children and would affect many more children whose parents are denied assistance. The proposal unfairly shifts costs to States with high numbers of legal immigrants. In addition, the bill requires most Federal, State, and local benefits programs to verify recipients' citizenship or alien status. These mandates would create extremely difficult and costly administrative burdens for State, local, and non-profit service providers, as well as barriers to participation for citizens. Also, the Administration urges the Senate not to go in the harsh direction that the House Rules Committee did yesterday in reporting a provision that would broaden the ban on current immigrants from receiving Medicaid coverage.

- Medical Assistance Guarantee. The Administration opposes provisions that do not guarantee continued Medicaid eligibility when States change AFDC rules. We are concerned that families who lose cash assistance for various reasons, such as reaching the five-year limit or having additional children while they are receiving assistance, could lose their Medicaid eligibility and be unable to receive the health care services that they need. In addition, State flexibility to change these AFDC rules could adversely affect Medicaid eligibility determinations, including eligibility for poverty-related pregnant women and children.

- Protection in Economic Downturn. Although the Contingency Fund is twice what it was in the vetoed bill, it still does not allow for further expansions during poor economic conditions and periods of increased need. We are also concerned about

measures, and protections for children. It provides a foundation on which the Senate should build in order to provide more State flexibility; incentives for AFDC recipients to move from welfare to work; more parental responsibility; and protections for children. It is a good, strong proposal that would end welfare as we know it. Breaux-Chafee provides the much needed opportunity for a real bipartisan compromise, and it should be the basis for a quick agreement between the parties.

The President stands ready to work with Congress to address the outstanding concerns so we can enact a strong, bipartisan welfare reform bill to replace the current system with one that demands responsibility, strengthens families, protects children, and gives States broad flexibility and the needed resources to get the job done.

Sincerely,

Jacob J. Lew
Acting Director

IDENTICAL COPY SENT TO THE HONORABLE J. JAMES EXON

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 16, 1996

The Honorable John R. Kasich
Chairman
Committee on the Budget
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am writing to transmit the Administration's views on the welfare provisions of H.R. 3734, the "Welfare and Medicaid Reform Act of 1996." We understand that the Rules Committee plans to separate the welfare and Medicaid portions of the bill and consider only the welfare provisions on the House floor.

We are pleased that the Congress has decided to separate welfare reform from a proposal to repeal Medicaid's guarantee of health care for the elderly, poor, pregnant and people with disabilities. We hope that removing this "poison pill" from welfare reform is a breakthrough that indicates that the Congressional leadership is serious about passing bipartisan welfare reform this year.

It is among the Administration's highest priorities to achieve bipartisan welfare reform reflecting the principles of work, family, and responsibility. For the past three and a half years, the President has demonstrated his commitment to enacting real welfare reform by working with Congress to create legislation that moves people from welfare to work, encourages responsibility, and protects children. The Administration sent to Congress a stand-alone welfare bill that requires welfare recipients to work, imposes strict time limits on welfare, toughens child support enforcement, is fair to children, and is consistent with the President's commitment to balance the budget.

The Administration is also pleased that the bill makes many of the important improvements to H.R. 4 that we recommended -- improvements that were also included in the bipartisan National Governors' Association and Castle-Tanner proposals. We urge the Committee to build upon these improvements. At the same time, however, the Administration is deeply concerned about certain provisions of H.R. 3734 that would adversely affect benefits for food stamp households and legal immigrants, as well as with the need for strong State accountability and flexibility. And, the bill would still raise taxes on millions of working families by cutting the Earned Income Tax Credit (EITC).

We remain pleased that Congress has decided to include central elements of the President's approach -- time limits, work requirements, the toughest possible child support enforcement, requiring minor mothers to live at home as a condition of assistance -- in this legislation.

The Administration strongly supports several provisions included in S. 1795, as reported by the Senate Finance Committee. These provisions include: allowing transfers only to the child care block grant, increasing the maintenance of effort requirement with a tightened definition of what counts toward this requirement, improving the fair and equitable treatment and enforcement language, and eliminating the child protection block grant. We urge the Congress to include these provisions in H.R. 3734.

Key Concerns With H.R. 3734

The Administration however remains deeply concerned that the bill still lacks other important provisions that have earned bipartisan endorsement.

- Size of the cuts. The welfare provisions incorporate most of the cuts that were in the vetoed bill -- $59 billion over 6 years (including the EITC and related savings in Medicaid) over six years. These cuts far exceed those proposed by the NGA or the Administration. Cuts in Food Stamps and benefits to legal immigrants are particularly deep. The President's budget demonstrates that cuts of this size are not necessary to achieve real welfare reform, nor are they needed to balance the budget.

- Food Stamps. The Administration strongly opposes the inclusion of a Food Stamp block grant, which has the potential to seriously undermine the Federal nature of the program, jeopardizing the nutrition and health of millions of children, working families, and the elderly, and eliminating the program's ability to respond to economic changes. The Administration is also concerned that the bill makes deep cuts in the Food Stamp program, including a cut in benefits to households with high shelter costs that disproportionately affects families with children, and a four-month time limit on childless adults who are willing to work, but are not offered a work slot.

- Legal Immigrants. The bill retains the excessively harsh and uncompromising immigration provisions of last year's vetoed bill. While we support the strengthening of requirements on the sponsors of legal immigrants applying for SSI, Food Stamps, and AFDC, the bill bans SSI and Food Stamps for virtually all legal immigrants, and imposes a five-year ban on all other Federal programs, including non-emergency Medicaid, for new legal immigrants. These bans would even cover legal immigrants who become disabled after entering the country, families with children, and current recipients. The bill would deny benefits to 0.3 million immigrant children and would affect many more children whose parents are denied assistance. The proposal unfairly shifts costs to States with high numbers of legal immigrants. In addition, the bill requires virtually all Federal, State, and local benefits programs to verify recipients' citizenship or alien status. These mandates would create significant administrative burdens for State, local, and non-profit service providers, and barriers to participation for citizens.

- EITC. The Administration opposes the provisions in H.R. 3734 that increase the EITC phase-out rates thereby raising taxes on more than four million low-income working families, with seven million children. In addition, the budget resolution instructs the revenue committees to cut up to $18.5 billion more from the EITC. Thus, EITC cuts could total over $20 billion, and such large increases on working families are particularly ill-conceived when considered in the context of real welfare reform -- that is, encouraging work and making work pay."

We are also concerned that the bill repeals the Family Preservation and Support program, which may mean less State spending on abuse and neglect prevention activities.

We strongly support the bipartisan welfare reform initiatives from moderate Republicans and Democrats in both Houses of Congress. The Castle-Tanner proposal addresses many of our concerns, and it would strengthen State accountability efforts, welfare to work measures, and protections for children. It provides a foundation on which this Committee should build in order to provide more State flexibility; incentives for AFDC recipients to move from welfare to work; more parental responsibility; and protections for children. It is a good strong bill that would end welfare as we know it. Castle-Tanner provides the much needed opportunity for a real bipartisan compromise and should be the basis for a quick agreement between the parties.

The President stands ready to work with the Congress to address the outstanding concerns so that we can enact a strong bipartisan welfare reform bill to replace the current system with one that demands responsibility, strengthens families, protects children, and gives States broad flexibility and the needed resources to get the job done.

Sincerely,

Jacob J. Lew
Acting Director

IDENTICAL COPIES SENT TO THE HONORABLE GERALD B. H. SOLOMON, THE HONORABLE JOHN J. MOAKLEY, AND THE HONORABLE MARTIN O. SABO

STATEMENT BY PRESIDENT CLINTON ON WELFARE REFORM LEGISLATION
WEDNESDAY, JULY 31, 1996

PRESIDENT CLINTON: Good afternoon.

When I ran for president four years ago I pledged to end welfare as we know it. I have worked very hard for four years to do just that. Today the Congress will vote on legislation that gives us a chance to live up to that promise -- to transform a broken system that traps too many people in a cycle of dependence to one that emphasizes work and independence, to give people on welfare a chance to draw a paycheck, not a welfare check. It gives us a better chance to give those on welfare what we want for all families in America, the opportunity to succeed at home and at work.

For those reasons, I will sign it into law.

The legislation is, however, far from perfect. There are parts of it that are wrong, and I will work -- I will address those parts in a moment. But on balance, this bill is a real step forward for our country, our values, and for people who are on welfare.

For 15 years I have worked on this problem, as governor and as the president. I've spent time in welfare offices, I have talked to mothers on welfare who desperately want the chance to work and support their families independently. A long time ago I concluded that the current welfare system undermines the basic values of work, responsibility and family, trapping generation after generation in dependency and hurting the very people it was designed to help.

Today we have an historic opportunity to make welfare what it was meant to be: a second chance, not a way of life. And even though the bill has serious flaws that are unrelated to welfare reform, I believe we have a duty to seize the opportunity it gives us to end welfare as we know it.

Over the past three and half years, I have done everything in my power as president to promote work and responsibility, working with 41 states to give them 69 welfare reform experiments. We've also required teen mothers to stay in school, required federal employees to pay their child support, cracked down on people who owe child support and cross state lines. As a result, child support collections are up 40 percent to $11 billion, and there are 1.3 million fewer people on welfare today than there were when I took office.

pressed working families with children. This provision is a mistake, and I will work to correct it.

Second, I am deeply disappointed that the congressional leadership insisted on attaching to this extraordinarily important bill a provision that will hurt legal immigrants in America, people who work hard for their families, pay taxes, serve in our military. This provision has nothing to do with welfare reform; it is simply a budget-saving measure, and it is not right. These immigrant families with children, who fall on hard times through no fault of their own -- for example, because they face the same risks the rest of us do from accidents, from criminal assaults, from serious illness -- they should be eligible for medical and other help when they need it.

The Republican majority could never have passed such a provision standing alone. You see that in the debate in the immigration bill -- for example, over the Gallegly amendment -- and the question of education of undocumented and illegal immigrant children. This provision will cause great stress for states, for localities, for medical facilities that have to serve large number of illegal -- of legal immigrants -- legal immigrants. It is just wrong to say to people, "We'll let you work here; you're helping our country. You'll pay taxes. You serve in our military. You may get killed defending America. But if somebody mugs you on a street corner, or you get cancer, or you get hit by a car, or the same thing happens to your children, we're not going to give you assistance anymore."

I am convinced this would never have passed alone, and I am convinced when we send legislation to Congress to correct it, it will be corrected.

In the meantime, let me also say that I intend to take further executive action directing the INS to continue to work to remove the bureaucratic roadblocks to citizenship to all eligible legal immigrants. I will do everything in my power, in other words, to make sure that this bill lifts people up and does not become an excuse for anyone to turn their backs on this problem or on people who are genuinely in need, through no fault of their own.

This bill must also not let anyone off the hook. The states asked for this responsibility; now they have to shoulder it and not run away from it. We have to make sure that in the coming years, reform and change actually result in moving people from welfare to work. The business community must provide greater private-sector jobs that people on welfare need to build good lives and strong families. I challenge every state to adopt the reforms that Wisconsin, Oregon, Missouri, and other states are proposing to do, to take the money that

MEMORANDUM OF CALL

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TO:

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OF (Organization)

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☐ RETURNED YOUR CALL ☐ WISHES AN APPOINTMENT

MESSAGE

Irene -

FYI - Romero-Barcelo's Bill.

J Dunn

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Medicaid and Children's Health Improvement Amendments of 1998 (Introduced in the House)

HR 4323 IH

105th CONGRESS

2d Session

H. R. 4323

To amend titles XIX and XXI of the Social Security Act to give States the option of providing medical assistance to certain legal immigrant children and to increase allotments to territories under the State Children's Health Insurance Program.

IN THE HOUSE OF REPRESENTATIVES

July 23, 1998

Mr. ROMERO-BARCELO (for himself, Ms. CHRISTIAN-GREEN, Mr. UNDERWOOD, Mr. LAZIO of New York, Mr. PALLONE, Mr. DEUTSCH, Mr. BROWN of Ohio, Mr. RUSH, Mr. THOMPSON, Mr. CLYBURN, Ms. MILLENDER-MCDONALD, Mrs. MEEK of Florida, Mr. TOWNS, Ms. FURSE, Mr. HILLIARD, Ms. KILPATRICK, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. MCKINNEY, Mr. PAYNE, Mr. JACKSON of Illinois, Ms. JACKSON-LEE of Texas, Mr. HASTINGS of Florida, Mr. CLAY, Mr. BISHOP, Mr. STOKES, Mr. DAVIS of Illinois, Ms. NORTON, Ms. WATERS, Mr. FAZIO of California, Ms. LEE, Mr. MEEKS of New York, and Mr. ENGEL) introduced the following bill; which was referred to the Committee on Commerce

A BILL

To amend titles XIX and XXI of the Social Security Act to give States the option of providing medical assistance to certain legal immigrant children and to increase allotments to territories under the State Children's Health Insurance Program.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the `Medicaid and Children's Health Improvement Amendments of 1998'.

SEC. 2. STATE OPTION TO COVER LEGAL IMMIGRANT CHILDREN UNDER MEDICAID AND THE CHILDREN'S HEALTH INSURANCE

UNDER MEDICAID AND THE CHILDREN'S HEALTH INSURANCE PROGRAM.

(a) MEDICAID- Section 1902(a)(10)(A)(ii) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended--

(1) by striking `or' at the end of subclause (XIII);

(2) by adding `or' at the end of subclause (XIV); and

(3) by adding after subclause (XIV) the following new subclause:

> `(XV) who are described in section 1905(a)(i) and who would be eligible for medical assistance (or for a greater amount of medical assistance) under the State plan under this title but for the provisions of section 403 or section 421 of Public Law 104-193, but the State may not exercise the option of providing medical assistance under this subclause with respect to a subcategory of individuals described in this subclause;'.

(b) CHILDREN'S HEALTH INSURANCE PROGRAM- Section 2110(b) of the Social Security Act (42 U.S.C. 1397jj(b)) is amended--

(1) in paragraph (1)(A), by inserting before the semicolon `(including, at the option of the State, a child described in paragraph (3)(B))'; and

(2) in paragraph (3)--

(A) by striking `SPECIAL RULE- ' and inserting `SPECIAL RULES-

`(A) HEALTH INSURANCE COVERAGE- ';

(B) by indenting the remainder of the text accordingly; and

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

`(B) ELIGIBILITY FOR LEGAL IMMIGRANT CHILDREN- For purposes of paragraph (1)(A), a child is described in this subparagraph if--

> `(i) the child would be determined eligible for child health assistance under this title but for provisions of sections 403 and section 421 of Public Law 104-193; and
>
> `(ii) the State exercises the option to provide medical assistance to the category of individuals described in section 1902(a)(10)(A)(ii)(XV).'.

SEC. 3. INCREASED ALLOTMENTS UNDER CHILDREN'S HEALTH INSURANCE PROGRAM FOR TERRITORIES.

(a) IN GENERAL- Section 2104(c) of the Social Security Act (42 U.S.C. 1397dd(c)) is amended by adding at the end the following new paragraph:

`(4) ADDITIONAL ALLOTMENT-

> `(A) IN GENERAL- In addition to the allotment under paragraph (1), the Secretary shall allot each commonwealth and territory described in paragraph (3) the applicable percentage specified in paragraph (2) of the amount appropriated under subparagraph

(B).

`(B) APPROPRIATION- For purposes of providing allotments pursuant to subparagraph (A), there is appropriated, out of any money in the Treasury not otherwise appropriated--

`(i) $34,200,000 for each of fiscal years 1999 through 2001;

`(ii) $25,200,000 for each of fiscal years 2002 through 2004;

`(iii) $32,400,000 for each of fiscal years 2005 and 2006; and

`(iv) $40,000,000 for fiscal year 2007.'.

(b) CONFORMING AMENDMENT- Section 2104(b)(1) of such Act (42 U.S.C. 1397dd(b)(1)) is amended by inserting `(determined without regard to paragraph (4) thereof)' after `subsection (c)'.

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RESTORING HEALTH INSURANCE TO LEGAL IMMIGRANT CHILDREN

- This proposal would allow states to extend the non-emergency Medicaid and CHIP health coverage to legal immigrant children that was denied under welfare reform.[1]
- It would begin to address one of the main factors causing the recent alarming decline in Medicaid caseloads.
- This decline is occurring even though the number of uninsured children and families continues to grow.
- We have estimated that this proposal would allow states to cover xxxxxx more children under their Medicaid and CHIP programs.
- It is short-sighted to continue to deny health coverage and endanger the development of legal immigrant children who are here to stay, and will be relied on to contribute to our country's future.
- This proposal further corrects the flawed, anti-legal immigrant approach of welfare reform by restoring important health coverage to all otherwise eligible immigrant children.

---

[1]. PRWORA made most legal immigrants (except refugees, asylees, veterans, etc.) entering the country after 8/22/96 ineligible for non-emergency Medicaid and CHIP for their first 5 years in the country. In addition, new affidavit of support and deeming rules make it likely that most of these legal immigrants will remain ineligible for Medicaid until citizenship or meeting the "40-quarters of work" exemption.

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

June 9, 1998

The Honorable Albert Gore, Jr.
President of the Senate
Washington, D.C. 20510

Dear Mr. President:

Enclosed for the consideration of the Congress is the Administration's draft bill, the "Medicaid and Children's Health Improvement Amendments of 1998". The bill supports the President's Budget for FY 1999.

The bill would amend titles XIX and XXI of the Social Security Act to give States the option to extend benefits under Medicaid, or under Medicaid and the Children's Health Insurance Program (CHIP), to legal immigrant children who entered the United States on or after August 22, 1996. This proposal would provide $230 million over five years to fill a significant gap in health care coverage for low-income working immigrant families who entered the United States on or after August 22, 1996, who are now denied Medicaid and CHIP eligibility under welfare reform rules.

Also, the bill would amend title XXI of the Social Security Act to provide more equitable CHIP funding to our Nation's territorial jurisdictions, a measure that the President said he would work with the Congress to make when he signed the Balanced Budget spending bill last year. The Administration had initially proposed that 1.5 percent of the funding be allocated to these areas -- a share approximately equal to their percentage of our country's population. The law only allotted a very inequitable .25 percent. This bill would provide $153 million over five years (and $283 million over nine years) in additional funds to be distributed among the territories in proportion to their CHIP allotment percentage. It would effectively increase the share now provided to them to a more equitable 1.05 percent.

The Omnibus Budget Reconciliation Act of 1990 (OBRA) requires that all revenue and direct spending legislation meet a pay-as-you-go (PAYGO) requirement. That is, no such bill should result in an increase in the deficit; and if it does, it could contribute to a sequester if it is not fully offset.

This proposal would affect direct spending as shown below; therefore, it is subject to the PAYGO requirement.

	FISCAL YEARS (dollars in millions)					
	1999	2000	2001	2002	2003	99-03
Outlays	59.2	69.2	84.2	80.2	90.2	383

This proposal is fully offset in the President's FY 1999 Budget and should be considered in conjunction with all other PAYGO proposals in the Budget. The Administration will work closely with the Congress on this and other PAYGO legislation to avoid a sequester of mandatory programs.

We urge the Congress to give the draft bill its prompt and favorable consideration.

The Office of Management and Budget has advised that there is no objection to the submission of this legislative proposal to the Congress, and that its enactment would be in accord with the program of the President.

Sincerely,

Donna E. Shalala

Enclosure

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

June 9, 1998

The Honorable Newt Gingrich
Speaker of the House
of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

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Sincerely,

Donna E. Shalala

Enclosure

A BILL

To amend titles XIX and XXI of the Social Security Act to give States the option of providing medical assistance to certain legal immigrant children, to increase allotments to territories under the Children's Health Insurance Program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Medicaid and Children's Health Improvement Amendments of 1998".

SEC. 2. STATE OPTION TO COVER LEGAL IMMIGRANT CHILDREN UNDER MEDICAID AND THE CHILDREN'S HEALTH INSURANCE PROGRAM.

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(3) by adding after subclause (XIV) the following new subclause:

"(XV) who are described in section 1905(a)(i) and who would be eligible for medical assistance (or for a greater amount of medical assistance) under the State plan under this title but for any or all of the provisions of section 403 or section 421 of

Public Law 104-193, (but the State may not exercise such option with respect to a subcategory of such individuals);".

(b) CHILDREN'S HEALTH INSURANCE PROGRAM.—Section 2110(b) of the Social Security Act (42 U.S.C. 1397jj(b)) is amended—

(1) in paragraph (1)(A), by inserting before the semicolon "(including, at the option of the State, a child described in paragraph (3)(B))"; and

(2) in paragraph (3)—

(A) by striking "SPECIAL RULE.—" and inserting "SPECIAL RULES.—"

(B) by designating the remainder of the text as subparagraph (A) and indenting accordingly below the paragraph heading;

(C) by adding the following after the subparagraph designation "(A)": "HEALTH INSURANCE COVERAGE.—"; and

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

"(B) ELIGIBILITY FOR LEGAL IMMIGRANT CHILDREN.—For purposes of paragraph (1)(A), a child is described in this subparagraph if—

"(i) the child would be determined eligible for child health assistance under this title but for any or all of the provisions of section 403 or section 421 of Public Law 104-193; and

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"(B) APPROPRIATION.—For purposes of providing allotments pursuant to subparagraph (A), there is appropriated, out of any money in the Treasury not otherwise appropriated—

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