Revised 3/8/00

Questions/Comments on Initial Draft
HCFA Comments in Italics
(Where no comment - we agree with Amy's comments)

*p2 line 5 implement "immediately" doesn't seem grammatically correct. Delete "immediately"

*p 3 line 8 –add after 'under 19' "or such higher option that the state has elected under (l)(1)(D)" to conform with the fact that we're letting states cover older than 19.

*p 3 line 12 - question - We want to apply the administrative simplification to parents too. We are checking to see if it is possible not to have to have states do a 1931 determination for each parent (i.e., how much it would cost if we buy them out). *The buy-out of current 1931 parents above mandatory levels would be $450 million over 5 years and $800 million over 10 years.* [Ed: Don't deal with this yet. We need to make a decision as to what we want to do.]

*p 3 line 21 – rather than put this definition here, we'd rather just reference the definition of care taker under the old title IV rules referred to in 1931. We felt putting out a definition invited tinkering if we ever get down the road and thought a cross reference would be better.

*p 4 line 8 – insert after '200% FPL' "for children"

*p 4 line 9 – (1) strike "have" and insert "use" (2) We definately don't want to say"or waiting period" since that gets into crowdout. *We were striving for the concept of statewide implementation of CHIP – so this language should require that all eligible children are served.* Note that we may not even want to say waiting list, since some states may not have a waiting list, and might just not take any more applications.

**page 4, lines 17 - 19 -- Use the same language that appears in the current title XXI on covering lower income before higher income to allow you to say that this is exactly the same provision that is written in SCHIP re: children.*

*p 4 line 22, 23 – change from "parent may elect to receive coverage" to "state may elect to cover such parents" Also, we want whatever the state chooses to be uniform across all parents – they can't pick and choose who they are going to put in which pot.

*p 5 line 6 – Yes, conditions in (u)(1) [MOE] should apply to family care coverage.

*p 5 line 22 – Ed's question: as per HCFA - *Don't need the language*

*p 6 line 2 – Ed's question: States can get EMAP beyond 100% FPL, therefore don't need to include lines 5-6.

*p 6 line 7 (B) – this appears to give states EMAP to any child who becomes eligible if state raises income levels to cover parents. This is not our policy. We don't think we even need (B) in that case. *This is correct - once the State elects to do Family coverage the allotments are merged (old CHIP and new FamilyCare)*

*p 7 line 23 – We want to reference 2110(b) (relating to targeted low income children definition) for adults but do not want to pick up all the requirements in 2110 (b) because some don't exactly apply. These are the exceptions to 2110 (b) for adults:

(b)(1)(B)(ii)(I) – should not apply because we want the upper income limit for the parents to be consistent with kids *or you could probably leave the old language but add a clause that says something to the effect that "but in no case may be higher than the income limit in effect for children..."*; (b)(1)(B)(ii)(II) – date should be 1/1/00; (b)(3) – program in operation as of 1/1/00.

*p 8 line 1 – just cross reference the definition of care taker under old title IV in 1931

*p 8 line 21 – stop the sentence after "family." – strike the rest of lines 21 - 24. We don't want to fiddle with this 5% stuff.

p 10 **Jeanne** is going to get us the allotment stream

p 10 line 13 we want this final amount to increase by some inflation type index – **Jeanne** was going to get that for us too.

*p 11 line 3 – we would like that states have to go through a state plan approval process for parents the way they have to do for kids. Could you please add a section for such a process? *You can probably just pick up the language from 2102 but have you considered allowing States to just do (admittedly rather significant) amendments to their CHIP plans?* [Ed, can you just bracket this in the appropriate place to remind us to deal with this question?]

*p 11 line 4 – Although for accounting purposes, the money for kids and adults must be kept separate, the new allocation policy is (we believe) that the pot of money (for adults and kids) will be combined into one big pot for allocation purposes and allocated according to the current CHIP kids formula. *Correct - the only reason to keep them separate is for doing the distributions and for Sates that don't elect to cover parents (who therefore can't access the new money).*

p 11 line 8 – **Jeanne** will provide the allotment formula for the territories.

*p 12 line 13-17 – should be "for items and services furnished on or after 10/1/00 subject to state plan approval."

*p 12 line 18 – Yes, it is correct to assume on a FY basis.

*p 13 line 15 – Yes, keep the MOE requirement, because they're only to get EMAP for people they cover after 1/1/00.

*p 13 line 18 – the policy on enhanced matching is as follows: *Yes but see revisions in explanation.*

1) The state gets EMAP for any adult (not kid) they cover after 1/1/00 above the welfare mandatory level (as far up as they want to go -- relative, of course, to the kids' level). The only kids that get EMAP are kids covered through title XXI (in other words, no change in current law).

2) In '06 there will be a clean policy – the state gets an EMAP for any ~~person (kid or adult)~~ *child* that they cover above the mandatory levels– so, there's no EMAP for kids below 100% FPL*(or 133% for younger children, infants up to 185%?)*, no EMAP for a parent who would have been/was covered pre-1/1/00.

*p 14 question at bottom – the answer to the question is no.

*p 15 (4) – What is the difference between items and services and medical assistance? Robin is checking with folks at HCFA. Ed, why do you ask? *Checked with GC on this. They are pretty much the same and interchangeable, however, neither one includes administrative costs. If you want to capture admin use should use "expenditures under the State plan".* [Ed, please keep bracket but add expenditures under the state plan to the bracketed material as another option.]

p 15 (c) – this may not be necessary. **Jeanne** is checking to see if the family care allotment is enough after CHIP expires, so that it would all be one program.

*p 17 line 3 – rather than "lawfully residing" please say "present as defined by the Secretary" *Use 'lawfully present as defined..' The problem with 'lawfully residing' is that there is already an INS and a (different) SSA definition of the term which is not good for Medicaid.*

*p 17 (C) – should be "before the date of entry into the US." *Yes*

*p 18 (a)(1) - Correct, no EMAP for expanded Medicaid coverage for 19 & 20 year olds. *This is true only for 19 and 20 yr olds under 100% FPL. State could and should get EMAP for coverage of 19 and 20 yrs olds above 100% regardless of whether they are covered in Medicaid, CHIP or FamilyCare.*

*p 18 section 4 (a)(2)(A) – why is Katie Beckett kids "one year less" than the Medicaid level? *HCFA is still checking on this.....*

*p 19 (E) – Yes, we want to apply to VFC program. *Seems OK but what vaccines to 19 and 20 year olds need?*

*p 20 section 5 (a) Here's our policy on administrative simplification:

1) We want to apply to children: a) states must simplify the application process and b) states must have the process be the same (i.e., applications, determinations, assets, verification, etc) in both programs. *This is not the Administration policy but the score implies that states do not roll back....*

2) For parents: a) states just must have the same process in both programs (but they don't have to go the simplified route. *This was never examined under the Adminsitration proposal.*

[Ed, Could you please conform the draft to reflect the policy laid out above (not the Admin's policy)?]

*p 21 re: "[do you need this:" – no we don't think so. *It is important that we only apply this only to children's poverty-level eligibility groups or categories.*

*p 23 "(3) and p 24 "(C) and (b) – "Hotline/Toll Free #" When fixing the simplified application process stuff above, we definitely don't want to do the toll free hot line stuff.

*p 25 (b)(1)(B) -- second line from the bottom – rephrase to say "State office or entity involved in enrollment in Medicaid, TANF, CHIP, or that determines eligibility for any assistance or benefits...." We want to be really clear that Medicaid, CHIP, and TANF workers can do this. We wanted to take out the reference to "private contractor" because there is some sensitivity to states trying to use private (non-union) workers to do eligibility. *This language as drafted is ok. States have the right in TANF to use contractors. This language lets contractors do MA presumptive, doesn't gunk up the policy of not allowing it in Medicaid.*

**p 27 -- school lunch provisions (subsection (3)(IV))-- why say "a person directly connected with the administration of a State plan under Title XIX" instead of the agency administering title XIX? Did you intend to open this up to persons outside of the Medicaid agency. Also, could you add after the reference to 42 USC 1397aa et seq) "solely" for the purpose of identifying...*

**P28 paragraph (e) on language construction - automatic reassessment mandate should be limited to cases where State terminates Medicaid eligibility due to the factors in the draft language. The language as is may invite litigation. As written states would have to "assess" whether a child losing Medicaid was eligible for SCHIP (and visa versa) but there is no affirmative duty to actually enroll the child in the appropriate program without the child having to submit a new application or otherwise interact with a new agency. Assessment could lead to a referral and that falls far short of the screen and enroll obligation that exists at the point of initial enrollment.* [Ed: Could you please fix this to make the provision stronger?]

**Page 30 -TMA-- State option is not to waive previous receipt of TANF, but rather to waiver requirement that the family has received Medicaid under sec. 1931 for 3 of the prior 6 months (ie., under delinkage rules. TMA is triggered off of loss of Medicaid not loss of TANF).*

Other: Kids born to Medicaid moms are automatically enrolled in Medicaid 1904(e)(4) *(only allowed provided mom remains eligible).* We would like a parallel provision for kids born of CHIP moms. *What about children born to CHIP dads?*

106TH CONGRESS
2D SESSION **H. R./S. _____**

IN THE HOUSE OF REPRESENTATIVES/ SENATE

Mr. DINGELL (for himself, [insert names of additional cosponsors from attached list]) [KENNEDY]/[ROCKEFELLER] introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title XIX and XXI of the Social Security Act to permit States to expand coverage under the medicaid program and SCHIP to parents of enrolled children and for other purposes.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "[Medicaid and SCHIP FamilyCare Improvement Act of 2000]".

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

SEC. 2. FAMILYCARE COVERAGE OF PARENTS UNDER THE MEDICAID PROGRAM AND SCHIP.

(a) INCENTIVES TO IMPLEMENT FAMILYCARE COVERAGE.—

(1) UNDER MEDICAID.—

(A) ESTABLISHMENT OF NEW OPTIONAL ELIGIBILITY CATEGORY.—Section 1902(a)(10)(A)(ii) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

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

(ii) by adding "or" at the end of subclause (XVII); and

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

"(XVIII) who are parents described in subsection (k)(1), but only

if the State meets the conditions described in subsection (k)(2);".

(B) CONDITIONS FOR COVERAGE.—Section 1902 of such Act is further amended by inserting after subsection (j) the following new subsection:

"(k)(1)(A) Parents described in this paragraph are the parents of an individual who is under 19 years of age (or such higher age as the State may have elected under section 1902(l)(1)(D)) and who is eligible for medical assistance under subsection (a)(10)(A), if—

"(i) such parents are not otherwise eligible for such assistance under such subsection [question: do they then have to do a section 1931 determination for each parent (but what about the application of administrative simplification to the parents as a piggyback to administrative simplification for the kids? *HOLD on this issue for now*] ; and

"(ii) the income of family that includes such parents does not exceed an income level specified by the State consistent with paragraph (2)(B).

"(B) In this subsection, the term 'parent' has the meaning given the term 'caretaker' for purposes of carrying out section 1931.

"(2) The conditions for a State to provide medical assistance under subsection (a)(10)(A)(ii)(XVIII) are as follows:

"(A) The State has a State child health plan under title XXI which (whether implemented under such title or under this title)—

"(i) has an income standard that is at least 200 percent of the poverty line [*is there a separate poverty line for children? we think not; is the issue one of what is the size of the family involved?:*] for children, and

"(ii) does not limit the acceptance of applications, does not use a waiting list for children who meet eligibility standards to qualify for assistance, and provides benefits to all children in the State who apply for and meet eligibility standards.

"(B) The income level specified under paragraph (1)(A)(ii) for parents in a family may not be less than the income level provided under section 1931 and may not exceed the highest income level applicable to a child in the family under this title. [*This language is the same as used in section 2102(b)(1)(B)(i):*] A State may not cover such par-

ents with higher family income without covering parents with a lower family income.

"(3) In the case of a parent described in paragraph (1) who is also the parent of a child who is eligible for child health assistance under title XXI, the State may elect (on a uniform basis) to cover all such parents under section 2111 or under subsection (a)(10)(A).".

(C) ENHANCED MATCHING FUNDS AVAILABLE.—

(A) IN GENERAL.—Section 1905 of such Act (42 U.S.C. 1396d) is amended—

(i) in the fourth sentence of subsection (b), by striking "or subsection (u)(3)" and inserting ", (u)(3), or (u)(4)"; and

(ii) in subsection (u)—

(I) by redesignating paragraph (4) as paragraph (5), and

(II) by inserting after paragraph (3) the following new paragraph:

"(4) For purposes of subsection (b), the expenditures described in this paragraph are expenditures for medical assistance made available under section 1902(a)(10)(A)(ii)(XVIII) for parents described in section 1902(k)(1) in a family the income of which exceeds the

income level applicable under section 1931 to a family of the size involved as of January 1, 2000.''..

(2) UNDER SCHIP.—

(A) FAMILYCARE COVERAGE.—Title XXI of such Act is amended by adding at the end the following new section:

''SEC. 2111. OPTIONAL FAMILYCARE COVERAGE OF PARENTS OF TARGETED LOW-INCOME CHILDREN.

''(a) OPTIONAL COVERAGE.—Notwithstanding any other provision of this title, a State child health plan may provide for coverage, through [*review.*] an amendment to its State child health plan under section 2102, of FamilyCare assistance for targeted low-income parents in accordance with this section, but only if the State meets the conditions described in section 1902(k)(2).

''(b) DEFINITIONS.—For purposes of this section:

''(1) FAMILYCARE ASSISTANCE.—The term 'FamilyCare assistance' has the meaning given the term child health assistance in section 2110(a) as if any reference to targeted low-income children were a reference to targeted low-income parents.

''(2) TARGETED LOW-INCOME PARENT.—The term 'targeted low-income parent' has the meaning given the term targeted low-income child in section 2110(b) as if any reference to a child were deemed

a reference to a parent (as defined in paragraph (3)) of the child; except that in applying such section—

"(A) there shall be substituted for the income limit described in paragraph (1)(B)(ii)(I) the applicable income limit in effect for a targeted low-income child;

"(B) in paragraph (1)(B)(ii)(II), January 1, 2000, shall be substituted for June 1, 1997; and

"(C) in paragraph (3), January 1, 2000, shall be substituted for July 1, 1997.

"(3) PARENT.—The term 'parent' has the meaning given the term 'caretaker' for purposes of carrying out section 1931.

"(c) REFERENCES TO TERMS AND SPECIAL RULES.—In the case of, and with respect to, a State providing for coverage of FamilyCare assistance to targeted low-income parents under subsection (a), the following special rules apply: [This should take care of the EMAP applying to FamilyCare assistance:]

"(1) Any reference in this title (other than subsection (b)) to a targeted low-income child is deemed to include a reference to a targeted low-income parent.

"(2) Any such reference to child health assistance with respect to such parents is deemed a reference to FamilyCare assistance.

"(3) In applying section 2103(e)(3)(B) in the case of a family provided coverage under this section, the limitation on total annual aggregate cost-sharing shall be applied to the entire family.

[review:] "(4) In applying section 2110(b)(4), any reference to 'section 1902(l)(2) or 1905(n)(2) (as selected by a State)' is deemed a reference to the income level applicable to parents under section 1931.".

(B) ADDITION OF FAMILYCARE ALLOTMENT.—

(i) IN GENERAL.—Section 2104 of such Act (42 U.S.C. 1397dd) is amended—

(I) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by striking "subsection (e)" and "subsection (f)" each place it appears in such subsections and inserting "subsection (f)" and "subsection (g)", respectively; and

(II) by inserting after subsection (d) the following new subsection:

"(d) ADDITIONAL FAMILYCARE ALLOTMENTS.—

"(1) APPROPRIATION; TOTAL ALLOTMENT.—For the purpose of providing FamilyCare allotments to States under this subsection, there is appropriated, out of any money in the Treasury not otherwise appropriated—**[**"$50 billion over 2002 to 2010 and made permanent thereafter"; these numbers are arbitrary**]**

"(A) for fiscal year 2002, $4,000,000,000;

"(B) for fiscal year 2003, $4,250,000,000;

"(C) for fiscal year 2004, $4,500,000,000;

"(D) for fiscal year 2005, $5,000,000,000;

"(E) for fiscal year 2006, $5,400,000,000;

"(F) for fiscal year 2007, $5,800,000,000;

"(G) for fiscal year 2008, $6,200,000,000;

"(H) for fiscal year 2009, $6,400,000,000;

"(I) for fiscal year 2010, $6,800,000,000; and

"(J) for fiscal year 2011 and each fiscal year thereafter, **[**specify? e.g., the amount of the allotment provided under this paragraph for the preceding fiscal year increased by ...what?**]**.".

"(2) STATE ALLOTMENTS.—In addition to the allotments otherwise provided under subsections (b) and (c), subject to paragraph (4) [relating to medicaid offset], of the amount available for the FamilyCare allotment under paragraph (1) for a fiscal year, reduced by the amount of allotments made under paragraph (3) [(will be for territories)] for the fiscal year, the Secretary shall allot to each State (other than a State described in such paragraph) with a State child health plan approved under this title and which has elected to provide coverage under section 2111 [*You specify that this is to be determined under the 'same formula' as for current SCHIP funds; but I don't think that is possible given the various floors and ceilings, but you could then state.*] in the same proportion as the the same proportion as [the ratio described in section 2104(b) for that State (determined without regard to paragraph (4) thereof)]/[the proportion of the State's allotment under section 2104(b) (determined without regard to section 2104(f)) to the total amount of the allotments under such section], any such unused allotments subject to redistribution in the same manner as that provided under section 2104(f))].

"(3) ALLOTMENTS TO TERRITORIES.—Of the amount available for the FamilyCare allotment under paragraph (1) for a fiscal year, subject to paragraph (4), the Secretary shall allot [provide allotment formula for territories] [X] percent among each of the commonwealths and territories described in subsection (c)(3) in [the same proportion as the percentage specified in subsection (c)(2) for such commonwealth or territory bears to the sum of such percentages for all such commonwealths or territories so described.

"(4) CERTAIN MEDICAID EXPENDITURES COUNTED AGAINST INDIVIDUAL STATE FAMILYCARE ALLOTMENTS.—The amount of the allotment otherwise provided to a State under paragraph (2) or (3) for a fiscal year [(before fiscal year 2006)] shall be reduced by the amount (if any) of the payments made to that State under section 1903(a) for expenditures claimed by the State during such fiscal year that is attributable to the provision of medical assistance to a parent described in section 1902(k)(1) for which payment is made under section 1903(a)(1) on the basis of an enhanced FMAP under [the fourth sentence] of section 1905(b).".

(ii) CONFORMING AMENDMENTS.—Such section is further amended—

(I) in subsection (a), by inserting "subject to subsection (e)" after "under this section,";

(II) in subsection (b)(1), by striking "subsection (d)" and inserting "subsections (d) and (e)";

(III)

(3) EFFECTIVE DATE.—The amendments made by this subsection apply to items and services furnished on or after October 1, 2000. [I don't think you need any reference to State plan approval here; that should be implicit.]

(b) RULES FOR IMPLEMENTATION BEGINNING WITH FISCAL YEAR 2006.—

(1) FAIL-SAFE ELIGIBILITY UNDER MEDICAID.—Section 1902(a)(10)(A)(i) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i)) is amended—

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

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

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

"(VIII) an individual who would be a parent described in subsection (k)(1) if the income level specified in subsection (k)(2)(B) were equal to at least 100 percent of the poverty line referred to in such subsection,".

(2) EXPANSION OF AVAILABILITY OF ENHANCED MATCH UNDER MEDICAID.—Paragraph (4) of section 1905(u) of such Act (42 U.S.C. 1396d(u)), as inserted by subsection (a)(2), is amended—

(A) by inserting before the semicolon at the end the following: [Note: this would cover EMAP for pre-1/1/00 expansions for parents above 100% of poverty in accordance with chart (but not with notes):] "or in a family the income of which exceeds 100 percent of the poverty line applicable to a family of the size involved [review EMAP for new mandatory group of parents:] or made available under section 1902(a)(10)(A)(i)(VIII)"; and

(B) by designating the matter beginning "made available" as subparagraph (A) with an

appropriate indentation, by striking the period at the end and inserting "; and", and by adding at the end the following new subparagraph:

"(B) made available to any child who is eligible for assistance under section 1902(a)(10)(A) and the income of whose family exceeds the minimum income level required under subsection 1902(l)(2) for a child of the age involved **[**(treating any child who is 19 or 20 years of age as being 18 years of age)**]**.".

(3) ELIMINATION OF SCHIP ALLOTMENT OFFSET FOR FAMILYCARE ASSISTANCE PROVIDED TO PARENTS BELOW POVERTY.—Section 2104(d) of such Act (42 U.S.C. 1397dd(d)) is amended by inserting before the period at the end the following: ", except that no such reduction shall be made with respect to medical assistance provided under section 1902(a)(10)(A)(ii)(XVIII) or 1902(a)(10)(A)(i)(VIII) with respect to a parent whose family income does not exceed 100 percent of the poverty line".

(4) EFFECTIVE DATE.—The amendments made by this subsection apply as of October 1, 2005, to fiscal years beginning on or after such date and to **[**expenditures under the State plan on and after such date**]**/**[**medical assistance furnished on or after

such date]/[items and services furnished on or after such date].

(c) MAKING SCHIP BASE ALLOTMENTS PERMANENT.—[review placement and policy:] Section 2104(a) of such Act (42 U.S.C. 1397dd(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

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

"(11) for fiscal year 2008 and each fiscal year thereafter, [specify? e.g., the amount of the allotment provided under this subsection for the preceding fiscal year increased by ...what?].".

(d) CONFORMING AMENDMENTS.—[this is just the beginning...]

(1) ELIGIBILITY CATEGORIES.—[do we need this?] Section 1905(a) of such Act (42 U.S.C. 1396d(a)) is amended, in the matter before paragraph (1)—

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

(B) by inserting "or" at the end of clause (xii); and

(C) by inserting after clause (xii) the following new clause:

"(xiii) who are parents described (or treated as if described) in section 1902(k)(1),".

(2) INCOME LIMITATIONS.—Section 1903(f)(4) of such Act (42 U.S.C. 1396b(f)(4)) [conform this..; also to include mandatory category below.]

SEC. 3. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS UNDER THE MEDICAID PROGRAM AND SCHIP.

(a) MEDICAID PROGRAM.—Section 1903(v) of the Social Security Act (42 U.S.C. 1396b(v)) is amended—

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

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

"(4)(A) A State may elect (in a plan amendment under this title and notwithstanding any provision of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to the contrary) to waive the application of sections 401(a), 402(b), 403, and 421 of such Act with respect to eligibility for medical assistance under this title of aliens who are lawfully present in the United States (as defined by the Secretary and including battered aliens described in section 431(c) of such Act), within any or

all (or any combination) of eligibility categories, other than the category of aliens described in subparagraph (C).

"(B) For purposes of applying section 213A of the Immigration and Nationality Act, the term 'means-tested public benefits' does not include medical assistance provided to a category of aliens pursuant to a State election and waiver described in subparagraph (A).

"(C) The category of aliens described in this subparagraph is disabled or blind aliens who became disabled or blind before the date of entry into the United States.

"(D) If a State makes an election and waiver under subparagraph (A) with respect to the category of children, the State is deemed to have made such an election and waiver with respect to such category for purposes of its State child health plan under title XXI.".

(b) SCHIP.—Section 2107(e)(1) of such Act (42 U.S.C. 1397gg(e)(1)) is amended by adding at the end the following new subparagraph:

"(D) Section 1903(v)(4)(D) (relating to optional coverage of categories of permanent resident alien children).".

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2000, and apply to medical assistance and child health assistance furnished on or after such date.

SEC. 4. OPTIONAL COVERAGE OF CHILDREN THROUGH AGE 20 UNDER THE MEDICAID PROGRAM AND SCHIP.

(a) MEDICAID.—

(1) IN GENERAL.—Section 1902(l)(1)(D) of the Social Security Act (42 U.S.C. 1396a(l)(1)(D)) is amended by inserting "(or, at the election of a State, 20 or 21 years of age)" after "19 years of age". [review issue of availability of EMAP for expanded medicaid coverage; we assume not, so it is not in this draft]

(2) CONFORMING AMENDMENTS.—

(A) Section 1902(e)(3)(A) [Katie Beckett; this refers to 18; construction is awkward] of such Act (42 U.S.C. 1396a(e)(3)(A)) is amended by inserting "(or 1 year less than the age the State has elected under subsection (l)(1)(D))" after "18 years of age".

(B) Section 1902(e)(12) of such Act (42 U.S.C. 1396a(e)(12)) [relates to 12 months continuous eligibility] is amended by inserting "or such higher age as the State has elected under subsection (l)(1)(D)" after "19 years of age".

[Look at sections 1916(a)(2)(A) and 1916(b)(2)(A), relating to cost-sharing, which

already provide States with this option, but we have not linked it specifically to the exercise of the 1902(l)(1)(D) option in this draft.]

(C) Section 1902(l)(5) of such Act (42 U.S.C. 1396a(l)(5)), as added by [section 5(a)], is amended by inserting "(or such higher age as the State has elected under paragraph (1)(D))" after "19 years of age".

(D) Section 1920A(b)(1) of such Act (42 U.S.C. 1396r–1a(b)(1)) is amended by inserting "or such higher age as the State has elected under section 1902(l)(1)(D)" after "19 years of age".

(E) Section 1928(h)(1) of such Act (42 U.S.C. 1396s(h)(1)) is amended by inserting "or 1 year less than the age the State has elected under section 1902(l)(1)(D)" before the period at the end.

(F) Section 1932(a)(2)(A) of such Act (42 U.S.C. 1396u–2(a)(2)(A)) [relates to managed care protections] is amended by inserting "(or such higher age as the State has elected under section 1902(l)(1)(D))" after "19 years of age".

(b) SCHIP.—Section 2110(c)(1) of such Act (42 U.S.C. 1397jj(c)(1)) is amended by inserting "(or such higher age as the State has elected under section 1902(l)(1)(D))".

(c) EFFECTIVE DATE.—The amendments made by this section take effect on [October 1, 2000], and apply to medical assistance and child health assistance provided on or after such date.

SEC. 5. APPLICATION OF SIMPLIFIED SCHIP PROCEDURES UNDER THE MEDICAID PROGRAM.

(a) IN GENERAL.—[This has been drafted into 1902(l) but it applies to all categorical kids under medicaid, including those covered under 1931:] Section 1902(l) of the Social Security Act (42 U.S.C. 1396a(l)) is amended—

(1) in paragraph (3), by inserting "subject to paragraph (5)", after "Notwithstanding subsection (a)(17),"; and

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

"(5) With respect to determining the eligibility of individuals under 19 years of age for medical assistance under subsection (a)(10)(A), notwithstanding any other provision of this title, [if the State has established a State child health plan under title XXI]—

"(A) the State may not apply a resource standard if the State does not apply such a standard under such child health plan;

"(B) the State shall use same simplified eligibility form (including, if applicable, permitting application other than in person) as the State uses under such State child health plan; and

"(C) the State shall provide for redeterminations of eligibility using the same forms and frequency as the State uses for redeterminations of eligibility under such State child health plan.".

(a) USE OF UNIFORM APPLICATION AND COORDINATED ENROLLMENT PROCESS.—[from H.R. 827; needs to also cover asset tests, etc.:]

(1) SCHIP PROGRAM.—Section 2102 (42 U.S.C. 1397bb) is amended by adding at the end the following new subsection:

"(d) DEVELOPMENT AND USE OF UNIFORM APPLICATION FORMS AND COORDINATED ENROLLMENT PROCESS.—A State child health plan shall provide, by not later than the first day of the first month that begins more than 6 months after the date of the enactment of this subsection, for—

"(1) the development and use of a uniform, simplified application form which is used both for pur-

poses of establishing eligibility for benefits under this title and also under title XIX; and

"(2) an enrollment process that is coordinated with that under title XIX so that a family need only interact with a single agency in order to determine whether a child is eligible for benefits under this title or title XIX[; and].".

[*Are you dropping this, due to uniform administrative simplification process?*] "(3) acceptance and timely response to telephone inquiries and other electronic communications received through the national toll-free system established under section 5(b) of the Medicaid and SCHIP FamilyCare Improvement Act of 2000.".

(2) MEDICAID CONFORMING AMENDMENT.—

(A) IN GENERAL.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(i) by striking the period at the end of paragraph (65) and inserting "; and", and

(ii) by inserting after paragraph (65) the following new paragraph:

"(66) provide, by not later than the first day of the first month that begins more than 6 months after the date of the enactment of this paragraph,

in the case of a State with a State child health plan under title XXI for—

"(A) the development and use of a uniform, simplified application form which is used both for purposes of establishing eligibility for benefits under this title and also under title XXI; and

"(B) establishment and operation of an enrollment process that is coordinated with that under title XXI so that a family need only interact with a single agency in order to determine whether a child is eligible for benefits under this title or title XXI**[**; and**]**.".

[*Assume dropped; see above:***]** "(C) acceptance and timely response to telephone inquiries and other electronic communications received through the national toll-free system established under section 5(b) of the Medicaid and SCHIP FamilyCare Improvement Act of 2000.".**]**

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) apply to calendar quarters beginning more than 6 months after the date of the enactment of this Act.

(b) ADDITIONAL ENTITIES QUALIFIED TO DETERMINE MEDICAID PRESUMPTIVE ELIGIBILITY FOR LOW-INCOME CHILDREN.—[based on H.R. 827:]

(1) IN GENERAL.—Section 1920A(b)(3)(A)(i) of such Act (42 U.S.C. 1396r–1a(b)(3)(A)(i)) is amended—

(A) by striking "or (II)" and inserting ", (II)"; and

(B) by inserting "eligibility of a child for medical assistance under the State plan under this title, or eligibility of a child for child health assistance under the program funded under title XXI, (III) is an elementary school or secondary school, as such terms are defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), an elementary or secondary school operated or supported by the Bureau of Indian Affairs, a State child support enforcement agency, a child care resource and referral agency, an organization that is providing emergency food and shelter under a grant under the Stewart B. McKinney Homeless Assistance Act, or a State office [or entity involved in enrollment in the program under this title, under part A of title IV, under

title XXI, or]/[*old language:* or private contractor that accepts applications for or administers a program funded under part A of title IV or] that determines eligibility for any assistance or benefits provided under any program of public or assisted housing that receives Federal funds, including the program under section 8 or any other section of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), or (IV) any other entity the State so deems, as approved by the Secretary" before the semicolon.

[from Administration draft:] (2) TECHNICAL AMENDMENTS.—Section 1920A of such Act (42 U.S.C. 1396r-1a) is amended—

(A) in subsection (b)(3)(A)(ii), by striking "paragraph (1)(A)" and inserting "paragraph (2)(A)"; and

(B) in subsection (c)(2), in the matter preceding subparagraph (A), by striking "subsection (b)(1)(A)" and inserting "subsection (b)(2)(A)".

[do you want this to apply to title XXI?]

(c) ELIMINATION OF FUNDING OFFSET FOR EXERCISE OF PRESUMPTIVE ELIGIBILITY OPTION.—[from H.R. 827]

(1) IN GENERAL.—Section 2104(d) of such Act (42 U.S.C. 1397dd(d)) is amended by striking "the sum of—" and all that follows through "(2)" and conforming the margins of all that remains accordingly.

(2) EFFECTIVE DATE.—[review:] The amendment made by paragraph (1) [H.R. 827:] first applies for allotments for fiscal year 1999 [Administration policy:] is effective as if included in the enactment of the Balanced Budget Act of 1997.

(d) USE OF SCHOOL LUNCH INFORMATION IN ELIGIBILITY DETERMINATIONS.—Section 9(b)(2)(C)(iii) of the National School Lunch Act (42 U.S.C. 1758(b)(2)(C)(iii)) is amended—

(1) in subclause (II), by striking "and" at the end;

(2) in subclause (III), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(IV) the agency administering a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or a State child health plan under title XXI of that Act (42 U.S.C. 1397aa et seq.) solely for the purpose of identifying children eligible for benefits under, and enrolling children in,

any such plan, except that this subclause shall apply with respect to the agency from which the information would be obtained only if the State and the agency so elect.".

(e) AUTOMATIC REASSESSMENT OF ELIGIBILITY FOR SCHIP AND MEDICAID BENEFITS FOR CHILDREN LOSING MEDICAID OR SCHIP ELIGIBILITY.—[based on H.R. 827:]

(1) LOSS OF MEDICAID ELIGIBILITY.—Section 1902(a)(66) (42 U.S.C. 1396a(a)(66)), as inserted by section 2(a)(2), is amended—

(A) by striking "and" at the end of subparagraph (B),

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

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

"(D) the automatic assessment, in the case of a child who loses eligibility for medical assistance under this title on the basis of changes in income, assets, or age, of whether the child is eligible for benefits under title XXI and, if so eligible, automatic enrollment under such title without the need for a new application.".

(2) LOSS OF SCHIP ELIGIBILITY.—Section 2102(b)(3) (42 U.S.C. 1397bb(b)(3)) is amended by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively, and by inserting after subparagraph (C) the following new subparagraph:

"(D) that there is an automatic assessment, in the case of a child who loses eligibility for child health assistance under this title on the basis of changes in income, assets, or age, of whether the child is eligible for medical assistance under title XIX and, if so eligible, there is automatic enrollment under such title without the need for a new application;".

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) apply to children who lose eligibility under the medicaid program under title XIX, or under a State child health insurance plan under title XXI, respectively, of the Social Security Act on or after the date that is 30 days after the date of the enactment of this Act.

SEC. 6. IMPROVING WELFARE-TO-WORK TRANSITION UNDER THE MEDICAID PROGRAM.

(a) MAKING PROVISION PERMANENT.—Subsection (f) of section 1925 of the Social Security Act (42 U.S.C. 1396r–6) is repealed.

(b) SIMPLIFICATION OPTIONS.—[we think these are your policies and we have made them State options; please confirm:]

(1) REMOVAL OF ADMINISTRATIVE REPORTING REQUIREMENTS FOR ADDITIONAL 6-MONTH EXTENSION.—Section 1925(b)(2) of such Act (42 U.S.C. 1396r–6(b)(2)) is amended by adding at the end the following new subparagraph:

"(C) STATE OPTION TO WAIVE REPORTING REQUIREMENTS.—A State may elect to waive the reporting requirements under subparagraph (B) and, in the case of such a waiver for purposes of notices required under subparagraph (A), to exclude from such notices any reference to any requirement under subparagraph (B).".

(2) REMOVAL OF REQUIREMENT FOR PREVIOUS RECEIPT OF MEDICAL ASSISTANCE.—Section 1925(a)(1) of such Act (42 U.S.C. 1396r–6(a)(1)) is amended—

(A) by redesignating the matter after "REQUIREMENT.—" as a subparagraph (A) with

the heading "IN GENERAL.—" and with appropriate indentation; and

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

"(B) STATE OPTION TO WAIVE REQUIREMENT FOR PREVIOUS RECEIPT OF MEDICAL ASSISTANCE.—A State may elect to apply subparagraph (A) to [review scope of policy here:] any family whose eligibility for assistance under this title would otherwise terminate because of hours of, or income from, employment, without regard to the period of previous receipt of assistance under this title [or aid referred to in such subparagraph].".

(3) PERMITTING INCREASE OR WAIVER OF 185 PERCENT OF POVERTY EARNING LIMIT.—Section 1925(b)(3)(A)(iii)(III) of such Act (42 U.S.C. 1396r–6(b)(3)(A)(iii)(III)) is amended—

(A) by inserting "(at its option)" after "the State"; and

(B) by inserting "(or such higher percent as the State may specify)" after "185 percent".

(4) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2000.

SEC. 7. AUTOMATIC ENROLLMENT OF CHILDREN BORN TO SCHIP [MOMS]/[PARENTS].

Section 2102(b)(1) of the Social Security Act (42 U.S.C. 1397bb(b)(1)) is amended by adding at the end the following new subparagraph:

"(C) AUTOMATIC ELIGIBILITY OF CHILDREN BORN TO A [PARENT] BEING PROVIDED FAMILYCARE.—Such eligibility standards shall provide for automatic coverage of a child born to a [mother]/[parent] who is provided familycare assistance under section 2111 in the same manner as medical assistance would be provided under section 1902(e)(4) to a child described in such section.".