

107TH CONGRESS
2^D SESSION

H. R. 5662

To amend title XXI of the Social Security Act to permit the use of unexpended allotments under the State children's health care program for an additional fiscal year, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 16, 2002

Ms. DUNN of Washington (for herself, Mrs. WILSON of New Mexico, Mr. HASTINGS of Washington, Mr. LARSEN of Washington, Mr. SMITH of Washington, Mr. McDERMOTT, Mr. NETHERCUTT, and Mr. DICKS) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend title XXI of the Social Security Act to permit the use of unexpended allotments under the State children's health care program for an additional fiscal year, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Children First SCHIP
5 Improvement Act of 2002".

1 **SEC. 2. PERMITTING USE OF RETAINED FISCAL YEAR 1998,**
2 **1999, AND 2000 SCHIP ALLOTMENTS THROUGH**
3 **FISCAL YEAR 2003.**

4 (a) **RETAINED AND REDISTRIBUTED ALLOTMENTS**
5 **FOR FISCAL YEARS 1998 AND 1999.**—Paragraphs
6 (1)(B)(ii), (2)(A)(i), and (2)(A)(ii) of section 2104(g) of
7 the Social Security Act (42 U.S.C. 1397dd(g)) are each
8 amended by striking “fiscal year 2002” and inserting “fis-
9 cal year 2003”.

10 (b) **FISCAL YEAR 2000.**—Section 2104(g)(2) of such
11 Act (42 U.S.C. 1397dd(g)(2)) is amended—

12 (1) in the heading, by striking “AND 1999” and
13 inserting “THROUGH 2000”;

14 (2) by adding at the end of subparagraph (A)
15 the following:

16 “(iii) **FISCAL YEAR 2000 ALLOT-**
17 **MENT.**—

18 “(I) **IN GENERAL.**—Except as
19 provided in subclause (II) with respect
20 to high unemployment States, of the
21 amounts allotted to a State pursuant
22 to this section for fiscal year 2000
23 that were not expended by the State
24 by the end of fiscal year 2002, the
25 amount specified in subparagraph (B)
26 for fiscal year 2000 for such State

1 shall remain available for expenditure
2 by the State through the end of fiscal
3 year 2003.

4 “(II) SPECIAL RULE FOR HIGH
5 UNEMPLOYMENT STATES.—With re-
6 spect only to high unemployment
7 States (as defined in subparagraph
8 (D)), of the amounts allotted to such
9 a State pursuant to this section for
10 fiscal year 2000 that were not ex-
11 pended by the State by the end of fis-
12 cal year 2002, all such amounts for
13 fiscal year 2000 for such State shall
14 remain available for expenditure by
15 the State through the end of fiscal
16 year 2003.”; and

17 (3) by adding at the end the following new sub-
18 paragraph:

19 “(D) HIGH UNEMPLOYMENT STATE DE-
20 FINED.—For purposes of subparagraph (A)(iii),
21 the term ‘high unemployment State’ means a
22 State that is any of the 50 States or the Dis-
23 trict of Columbia and that had an unemploy-
24 ment rate (seasonally adjusted) of at least 6

1 percent in each of two consecutive months in
2 2002.”.

3 (c) USE OF UNUSED FISCAL YEAR 1998 THROUGH
4 2000 FUNDS.—Section 2104(g) of such Act (42 U.S.C.
5 1397dd(g)), as amended by subsection (b), is further
6 amended by adding at the end the following new para-
7 graph:

8 “(5) USE OF UNEXPENDED FISCAL YEARS 1998
9 THROUGH 2000 ALLOTMENTS.—Notwithstanding any
10 waiver granted under section 1115 or otherwise for
11 the use of funds under title XIX or this title that
12 is approved as of September 30, 2002, amounts
13 made available for expenditure under this subsection
14 to provide child health assistance under this title
15 shall be expended in accordance with the following
16 priority:

17 “(A) First to children who are eligible for
18 child health assistance under this title.

19 “(B) Second to children who are eligible
20 for medical assistance under title XIX.”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall be effective as if this section had been
23 enacted on September 30, 2002, and amounts under title
24 XXI of the Social Security Act (42 U.S.C. 1397 et seq.)
25 from allotments for fiscal years 1998 through 2000 are

1 available for expenditure on and after October 1, 2002,
2 under the amendments made by this section as if this sec-
3 tion had been enacted on September 30, 2002.

4 **SEC. 3. SCHIP COVERAGE OF CHILDREN ABOVE THE MED-**
5 **ICAID MANDATORY LEVEL FOR CERTAIN**
6 **STATES MEETING ADDITIONAL REQUIRE-**
7 **MENTS.**

8 Section 2110(b) of the Social Security Act (42 U.S.C.
9 1397jj(b)) is amended—

10 (1) in paragraph (1)(B)(ii)(I), by inserting be-
11 fore the semicolon the following: “, or, with respect
12 to allotments for fiscal years beginning with fiscal
13 year 2001, in the case of an eligible State (as de-
14 fined in paragraph (5)), whose family income (as so
15 determined) exceeds such medicaid applicable income
16 level”; and

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

19 “(5) ELIGIBLE STATE.—For purposes of para-
20 graph (1)(B)(ii)(I), an eligible State is a State that,
21 with respect to the fiscal year involved, meets all of
22 the following conditions:

23 “(A) EXPANDED ELIGIBILITY OF CHIL-
24 DREN UNDER MEDICAID.—The State’s plan for
25 medical assistance under title XIX provides for

1 eligibility for medical assistance of children who
2 are under 19 years of age and whose family in-
3 come does not exceed 185 percent of the pov-
4 erty line.

5 “(B) HIGHEST SCHIP INCOME ELIGI-
6 BILITY.—The State child health plan (whether
7 implemented under this title or under title
8 XIX)—

9 “(i) has the highest income eligibility
10 standard permitted under this title as of
11 January 1, 2001;

12 “(ii) does not impose any waiting list,
13 numerical limitation, or similar limitation
14 on the eligibility of children for child
15 health assistance; and

16 “(iii) provides benefits to all children
17 in the State who apply for and meet eligi-
18 bility standards.

19 “(C) NO LOSS OF MEDICAID OR SCHIP
20 COVERAGE DUE TO INABILITY TO PAY PRE-
21 MIUMS AND COST-SHARING.—The State’s plan
22 for medical assistance under title XIX and the
23 State child health plan do deny an eligible child
24 coverage or needed care because of an inability

1 to pay premiums or cost-sharing otherwise im-
2 posed under the respective plan.

3 “(D) UNIFORM, SIMPLIFIED APPLICATION
4 FORM.—With respect to children who are eligi-
5 ble for medical assistance under section
6 1902(a)(10)(A), the State uses the same uni-
7 form, simplified application form (including, if
8 applicable, permitting application other than in
9 person) for purposes of establishing eligibility
10 for benefits under this title and also under title
11 XIX.

12 “(E) NO ASSET TEST.—The State does not
13 impose an asset test for eligibility under this
14 title or under section 1902(l) with respect to
15 children.

16 “(F) 12-MONTH CONTINUOUS ENROLL-
17 MENT.—The State has elected the option of
18 continuing eligibility under section 1902(e)(12)
19 and has elected a 12-month period under sub-
20 paragraph (A) of such section and provides for
21 a similar period of continuous eligibility under
22 the State child health plan.

23 “(G) COORDINATED ENROLLMENT PROC-
24 ESS.—The State’s enrollment process under

1 this title is coordinated with such process under
2 title XIX so that—

3 “(i) a family need only interact with a
4 single agency in order to determine wheth-
5 er a child is eligible for benefits under this
6 title or title XIX; and

7 “(ii) transfers of enrollment, without
8 a gap in coverage, automatically occur for
9 a child in a family the income of which
10 changes so that the child is no longer eligi-
11 ble for benefits under one such title but be-
12 comes eligible for benefits under the other
13 title.

14 “(H) SAME VERIFICATION AND REDETER-
15 MINATION POLICIES; AUTOMATIC REASSESS-
16 MENT OF ELIGIBILITY.—With respect to chil-
17 dren who are eligible for medical assistance
18 under section 1902(a)(10)(A), the State pro-
19 vides for initial eligibility determinations and
20 redeterminations of eligibility using the same
21 verification policies (including policies respect-
22 ing face-to-face interviews), forms, and fre-
23 quency as the State uses for such purposes
24 under this title, and, as part of such redeter-
25 minations, provides for the automatic reassess-

1 ment of the eligibility of such children for as-
2 sistance under this title and title XIX.

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