

110TH CONGRESS  
1ST SESSION

# S. 1224

To amend title XXI of the Social Security Act to reauthorize the State Children's Health Insurance Program, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

APRIL 25, 2007

Mr. ROCKEFELLER (for himself, Ms. SNOWE, and Mr. KENNEDY) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XXI of the Social Security Act to reauthorize the State Children's Health Insurance Program, 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; AMENDMENTS TO SOCIAL SECU-**  
4 **RITY ACT; TABLE OF CONTENTS.**

5 (a) SHORT TITLE.—This Act may be cited as the  
6 “Children's Health Insurance Program (CHIP) Reauthor-  
7 ization Act of 2007”.

8 (b) AMENDMENTS TO SOCIAL SECURITY ACT.—Ex-  
9 cept as otherwise specifically provided, whenever in this

1 Act an amendment is expressed in terms of an amendment  
 2 to or repeal of a section or other provision, the reference  
 3 shall be considered to be made to that section or other  
 4 provision of the Social Security Act.

5 (c) MEDICAID; CHIP; SECRETARY.—In this Act:

6 (1) CHIP.—The term “CHIP” means the  
 7 State Children’s Health Insurance Program estab-  
 8 lished under title XXI of the Social Security Act (42  
 9 U.S.C. 1397aa et seq.).

10 (2) MEDICAID.—The term “Medicaid” means  
 11 the program for medical assistance established under  
 12 title XIX of the Social Security Act (42 U.S.C. 1396  
 13 et seq.).

14 (3) SECRETARY.—The term “Secretary” means  
 15 the Secretary of Health and Human Services.

16 (d) TABLE OF CONTENTS.—The table of contents for  
 17 this Act is as follows:

Sec. 1. Short title; amendments to Social Security Act; table of contents.

Sec. 2. Findings.

#### TITLE I—MAKING CHILDREN’S HEALTH COVERAGE A NATIONAL PRIORITY

Sec. 101. Providing necessary funding for CHIP.

#### TITLE II—IMPROVING CHIP FINANCING

Sec. 201. State CHIP allotments that are responsive to health care costs, popu-  
 lation growth, and the needs of low-income uninsured children.

Sec. 202. 2-year initial availability of CHIP allotments for all States and terri-  
 tories.

Sec. 203. Establishment of timely and responsive redistribution process.

Sec. 204. Improving funding for the territories under CHIP and Medicaid.

Sec. 205. Extension of authority for qualifying States to use CHIP allotments  
 for certain Medicaid expenditures.

- Sec. 206. State option to expand coverage of children under CHIP up to 300 percent of the poverty line.
- Sec. 207. Requiring responsible CHIP enrollment growth.

TITLE III—ENROLLING UNINSURED CHILDREN ELIGIBLE FOR  
CHIP AND MEDICAID

- Sec. 301. “Express Lane” option for States to determine components of a child’s eligibility for Medicaid or CHIP.
- Sec. 302. Information technology connections to simplify health coverage determinations.
- Sec. 303. Enhanced administrative funding for translation or interpretation services.
- Sec. 304. Enhanced assistance with coverage costs for States with increasing or high coverage rates among children.
- Sec. 305. Elimination of counting Medicaid child presumptive eligibility costs against title XXI allotment.
- Sec. 306. State option to require certain individuals to present satisfactory documentary evidence of proof of citizenship or nationality for purposes of eligibility for Medicaid.

TITLE IV—START HEALTHY, STAY HEALTHY

- Sec. 401. State option to expand or add coverage of certain pregnant women under Medicaid and CHIP.
- Sec. 402. Coordination with the maternal and child health program.
- Sec. 403. Optional coverage of legal immigrants under Medicaid and CHIP.
- Sec. 404. Improving benchmark coverage options.
- Sec. 405. Requiring coverage of dental and mental health services.
- Sec. 406. Clarification of requirement to provide EPSDT services for all children in benchmark benefit packages under Medicaid.
- Sec. 407. Childhood obesity demonstration project.

TITLE V—IMPROVING ACCESS TO HEALTH CARE FOR CHILDREN

- Sec. 501. Promoting children’s access to covered health services.
- Sec. 502. Institute of Medicine study and report on children’s access to health care.

TITLE VI—STRENGTHENING QUALITY OF CARE AND HEALTH  
OUTCOMES OF CHILDREN

- Sec. 601. Strengthening child health quality improvement activities.
- Sec. 602. Application of certain managed care quality safeguards to CHIP.

TITLE VII—OTHER IMPROVEMENTS

- Sec. 701. Strengthening premium assistance programs.
- Sec. 702. Permitting coverage of children of State employees.
- Sec. 703. Improving data collection.
- Sec. 704. Moratorium on application of PERM requirements related to eligibility reviews during period of independent study and report.
- Sec. 705. Elimination of confusing program references.

TITLE VIII—EFFECTIVE DATE

- Sec. 801. Effective date.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) THE STATE CHILDREN'S HEALTH INSUR-  
4 ANCE PROGRAM (CHIP) AND MEDICAID HAVE GREAT-  
5 LY IMPROVED CHILDREN'S COVERAGE RATES AND  
6 ACCESS TO NEEDED HEALTH CARE SERVICES.—

7 (A) CHIP and Medicaid serve as the crit-  
8 ical health care safety net for 34,000,000 chil-  
9 dren over the course of a year, with 28,000,000  
10 children enrolled in Medicaid and more than  
11 6,000,000 children enrolled in CHIP.

12 (B) CHIP and Medicaid have accounted  
13 for a  $\frac{1}{3}$  decline in the rate of uninsured low-  
14 income children since 1997.

15 (C) During the recent economic downturn,  
16 and as the number of uninsured people has  
17 climbed to the highest number ever recorded in  
18 the United States, CHIP and Medicaid offset  
19 losses in employer-sponsored coverage that af-  
20 fected children and parents alike.

21 (D) While the number of children living in  
22 low-income families increased between 2000 and  
23 2005, the number of uninsured children fell due  
24 to Medicaid and CHIP.

25 (E) Children enrolled in CHIP or Medicaid  
26 are much more likely to have a usual source of

1 care than uninsured children, and are much  
2 more likely than uninsured children to receive  
3 well-child care, see a doctor during the year,  
4 and get dental care. Studies have found that  
5 children enrolled in public insurance programs  
6 experienced significant improvement in meas-  
7 ures of school performance.

8 (F) Since CHIP was created, coverage  
9 rates have increased significantly among chil-  
10 dren of all ethnic and racial groups.

11 (G) According to one Federal evaluation of  
12 CHIP, uninsured children who gained coverage  
13 through the program received more preventive  
14 care, and their parents reported better access to  
15 providers and improved communications with  
16 their children's doctors.

17 (2) EVEN WITH THE SUCCESS OF CHIP AND  
18 MEDICAID, MORE NEEDS TO BE DONE TO IMPROVE  
19 THE HEALTH STATUS OF OUR NATION'S CHIL-  
20 DREN.—

21 (A) There are currently 9,000,000 unin-  
22 sured children under age 19, accounting for  
23 nearly 20 percent of our Nation's uninsured.

1           (B) Approximately 7 out of every 10 unin-  
2           sured children are eligible for CHIP or Med-  
3           icaid.

4           (C) The cost of unmet health needs among  
5           children extends beyond measurable health sys-  
6           tem costs. For example, problems that could be  
7           prevented, managed, or treated with regular ac-  
8           cess to care can become more serious, resulting  
9           in lower school attendance and increased health  
10          care costs.

11          (D) Reducing the number of uninsured  
12          children in our country is an essential first step  
13          to improve health status. CHIP reauthorization  
14          presents an opportunity to secure health care  
15          coverage for more children who are eligible for  
16          CHIP or Medicaid but not yet enrolled.

17          (3) WE MUST MAINTAIN COVERAGE FOR THE  
18          CHILDREN CURRENTLY ENROLLED IN CHIP.—

19                (A) When CHIP was created in 1997,  
20                Congress allocated \$40,000,000,000 for the 10-  
21                year authorization.

22                (B) At current funding levels, nearly  
23                2,000,000 children are at risk of losing their  
24                CHIP coverage over the next 5 years because  
25                the current CHIP financing structure is inad-

1 equate and States are facing CHIP funding  
2 shortfalls.

3 (C) We must eliminate Federal funding  
4 shortfalls by providing States with significant  
5 new Federal resources for children's health cov-  
6 erage.

7 (D) CHIP reauthorization offers an oppor-  
8 tunity to increase CHIP funding and to provide  
9 stable, predictable Federal funding so that  
10 States not only have the ability to maintain  
11 their current caseloads but also to expand cov-  
12 erage to currently unenrolled children.

13 (4) WE MUST REACH THE UNINSURED CHIL-  
14 DREN WHO ARE ALREADY ELIGIBLE FOR CHIP OR  
15 MEDICAID BUT UNENROLLED.—

16 (A) More than 6,000,000 uninsured chil-  
17 dren are eligible for CHIP or Medicaid at any  
18 point during the year.

19 (B) In some States, it is estimated that up  
20 to 50 percent of children covered through CHIP  
21 do not remain in the program due to reenroll-  
22 ment barriers.

23 (C) Difficult renewal policies and reenroll-  
24 ment barriers make seamless coverage in CHIP  
25 unattainable. Studies indicate that as many as

1           67 percent of children who were eligible but not  
2           enrolled in CHIP or Medicaid had applied for  
3           coverage but were denied eligibility due to pro-  
4           cedural issues.

5           (D) States have tools at their disposal to  
6           streamline enrollment procedures, but further  
7           Federal changes would help States reach more  
8           children.

9           (E) Insuring parents is an effective way to  
10          increase children's participation in public pro-  
11          grams and to increase children's access to  
12          health care services.

13          (F) To reduce the number of uninsured  
14          children, improve our children's health, and  
15          continue our progress in reducing health dis-  
16          parities, the reauthorization of CHIP should  
17          provide States with the tools and resources nec-  
18          essary to identify, enroll, and maintain coverage  
19          for children who are eligible for CHIP or Med-  
20          icaid.

21          (5) WE MUST SUPPORT AND ENCOURAGE  
22          STATES THAT ARE LEADING THE WAY WITH INITIA-  
23          TIVES TO COVER MORE CHILDREN.—

24          (A) States in every region of the country  
25          are seeking to move forward in covering more



1 children, either by reaching already eligible chil-  
2 dren or further expanding eligibility.

3 (B) The Federal government should serve  
4 as a partner in these efforts by providing suffi-  
5 cient funding to solidify and strengthen this  
6 momentum.

7 (6) WE MUST PROMOTE HIGH-QUALITY HEALTH  
8 CARE THAT PROMOTES CHILDREN'S HEALTHY DE-  
9 VELOPMENT.—

10 (A) Children and adolescents deserve bet-  
11 ter quality care than what they currently re-  
12 ceive.

13 (B) Most States report using some kind of  
14 measure to evaluate and improve the quality of  
15 care children receive through their CHIP and  
16 Medicaid programs. However, State efforts are  
17 often hampered by budget constraints, limita-  
18 tions on information technology systems, and a  
19 need for improved measurement tools and per-  
20 formance measurement standards.

21 (C) As we improve access to health cov-  
22 erage as part of CHIP reauthorization, Con-  
23 gress also has an opportunity to enhance qual-  
24 ity by improving and standardizing data collec-  
25 tion efforts.

1           (7) WE MUST SUPPORT POLICIES THAT  
2 STRENGTHEN AND EXPAND HEALTH INSURANCE  
3 COVERAGE.—

4           (A) There are more than 46,000,000 unin-  
5 sured Americans today.

6           (B) No one who is currently covered  
7 should lose coverage because of changes to  
8 CHIP or Medicaid as part of the reauthoriza-  
9 tion of CHIP.

10          (C) Coverage of parents through family  
11 coverage waivers furthers the objectives of  
12 CHIP in that it promotes children's enrollment,  
13 positively impacts children's utilization of serv-  
14 ices, and improves family well-being.

15          (D) Coverage of parents through family  
16 coverage waivers is also consistent with long-  
17 standing CHIP policy—the explicit authoriza-  
18 tion in the CHIP statute for the Secretary to  
19 grant waivers that are consistent with the ob-  
20 jectives of CHIP, the parent waiver guidelines  
21 for CHIP issued by the Secretary, and the flexi-  
22 bility broadly accorded states through CHIP.

23          (E) Parent coverage waivers have been  
24 granted to States that have made a commit-

1           ment to cover children first and then to use  
2           funding to cover low-income parents.

3           (F) Research indicates that having an un-  
4           insured parent not only decreases the likelihood  
5           that a child will have a well-child visit, it also  
6           decreases the likelihood that a child will see any  
7           medical provider at all.

8           (G) We strongly support maintaining the  
9           current flexibility under CHIP that permits  
10          family coverage through waivers to cover par-  
11          ents, while assuring that children remain the  
12          primary focus of CHIP.

13 **TITLE I—MAKING CHILDREN’S**  
14 **HEALTH COVERAGE A NA-**  
15 **TIONAL PRIORITY**

16 **SEC. 101. PROVIDING NECESSARY FUNDING FOR CHIP.**

17          Section 2104(a) (42 U.S.C. 1397dd(a)) is amended—

18           (1) in paragraph (9), by striking “and” at the  
19          end;

20           (2) in paragraph (10), by striking the period at  
21          the end and inserting a semicolon; and

22           (3) by adding at the end the following new  
23          paragraphs:

24           “(11) for fiscal year 2008, \$8,525,000,000;

25           “(12) for fiscal year 2009, \$10,075,000,000;

1           “(13) for fiscal year 2010, \$11,250,000,000;  
 2           “(14) for fiscal year 2011, \$13,150,000,000;  
 3           “(15) for fiscal year 2012, \$15,400,000,000;  
 4           and  
 5           “(16) for fiscal year 2013 and each fiscal year  
 6           thereafter, the total allotment amount appropriated  
 7           under this subsection for the preceding fiscal year,  
 8           multiplied by the adjustment determined for such  
 9           fiscal year under subsection (i)(2)(C).”.

10           **TITLE II—IMPROVING CHIP**  
 11                           **FINANCING**

12           **SEC. 201. STATE CHIP ALLOTMENTS THAT ARE RESPON-**  
 13                           **SIVE TO HEALTH CARE COSTS, POPULATION**  
 14                           **GROWTH, AND THE NEEDS OF LOW-INCOME**  
 15                           **UNINSURED CHILDREN.**

16           (a) IN GENERAL.—Section 2104 (42 U.S.C. 1397dd)  
 17           is amended by adding at the end the following new sub-  
 18           section:

19           “(i) ANNUAL ALLOTMENTS FOR STATES OTHER  
 20           THAN TERRITORIES BEGINNING WITH FISCAL YEAR  
 21           2008.—

22           “(1) IN GENERAL.—Subject to paragraph (4),  
 23           of the total allotment amount appropriated under  
 24           subsection (a) for a fiscal year beginning with fiscal  
 25           year 2008 and remaining available after the applica-

1 tion of subsection (j) and subsection (c)(5), the Sec-  
2 retary shall allot to each State (as defined for pur-  
3 poses of this subsection in paragraph (5)) the sum  
4 of the following:

5 “(A) The coverage factor, as determined  
6 under paragraph (2), based on the State’s prior  
7 spending adjusted for health care cost growth  
8 and child population growth.

9 “(B) The uninsured children factor, as de-  
10 termined under paragraph (3), based on the  
11 number of low-income children without health  
12 insurance in the State, adjusted for geographic  
13 variation in health care costs.

14 “(2) COVERAGE FACTOR.—

15 “(A) IN GENERAL.—For purposes of para-  
16 graph (1)(A), subject to subparagraphs (B) and  
17 (D), the coverage factor determined for a State  
18 is equal to the following:

19 “(i) FISCAL YEAR 2008.—For fiscal  
20 year 2008, the higher of the following:

21 “(I) The total Federal payments  
22 to the State under this title for fiscal  
23 year 2007 multiplied by the annual  
24 adjustment determined under sub-  
25 paragraph (C) for that fiscal year.

1           “(II) The amount allotted to the  
2 State for fiscal year 2007 under sub-  
3 section (b), multiplied by the annual  
4 adjustment determined under sub-  
5 paragraph (C) for that fiscal year.

6           “(III) The projected total Fed-  
7 eral payments to the State under this  
8 title for fiscal year 2007, as reported  
9 by the State to the Secretary by the  
10 State as of November 2006 (or the  
11 projected total Federal payments to  
12 the State under this title for fiscal  
13 year 2007 as reported by the State to  
14 the Secretary as of May 2006 if the  
15 projected total Federal payments to  
16 the State under this title for such fis-  
17 cal year were at least \$95,000,000  
18 higher than such projected payments  
19 as of November 2006), multiplied by  
20 the annual adjustment determined  
21 under subparagraph (C) for that fis-  
22 cal year.

23           “(IV) The projected total Federal  
24 payments to the State under this title  
25 for fiscal year 2008, as reported by

1 the State to the Secretary by the  
2 State as of February 2007.

3 “(ii) FISCAL YEAR 2009.—For fiscal  
4 year 2009, the amount determined under  
5 clause (i), multiplied by the annual adjust-  
6 ment determined under subparagraph (C)  
7 for that fiscal year.

8 “(iii) FISCAL YEAR 2010 AND EACH  
9 SECOND SUCCEEDING FISCAL YEAR; PRO-  
10 VIDING FOR REBASING.—Subject to sub-  
11 paragraphs (B) and (D), for fiscal year  
12 2010 and each second succeeding fiscal  
13 year, the total Federal payments to the  
14 State under this title for the previous fiscal  
15 year attributable to any allotments avail-  
16 able to the State in such fiscal year under  
17 paragraph (1) and subsection (b) multi-  
18 plied by the annual adjustment determined  
19 under subparagraph (C) for that fiscal  
20 year.

21 “(iv) FISCAL YEAR 2011 AND EACH  
22 SECOND SUCCEEDING FISCAL YEAR.—For  
23 fiscal year 2011 and each second suc-  
24 ceeding fiscal year, the amount determined  
25 under clause (iii) for the preceding fiscal

1 year, multiplied by the annual adjustment  
2 determined under subparagraph (C) for  
3 the State for that fiscal year.

4 “(B) LIMITATION AND MINIMUMS.—

5 “(i) IN GENERAL.—Subject to clause  
6 (ii), if the total of the coverage factors de-  
7 termined under subparagraph (A) for all  
8 States exceed in any fiscal year the total  
9 allotment amount under subsection (a) for  
10 a fiscal year beginning with fiscal year  
11 2008 remaining available after the applica-  
12 tion of subsections (c)(5) and (j)(2)(C),  
13 each State’s coverage factor shall be equal  
14 to the total allotment amount under sub-  
15 section (a) for a fiscal year remaining  
16 available after application of such sub-  
17 sections, multiplied by the ratio of—

18 “(I) the amount of the State’s  
19 coverage factor determined under sub-  
20 paragraph (A); to

21 “(II) the total of such coverage  
22 factors for all States for such fiscal  
23 year.

24 “(ii) MINIMUM COVERAGE FACTOR.—

25 At a minimum, the coverage factor for a



1 State for a fiscal year shall not be less  
2 than the lesser of—

3 “(I) the State’s total Federal  
4 payments attributable to any allot-  
5 ments available to the State in the  
6 prior fiscal year under paragraph (1)  
7 and subsection (b), multiplied by the  
8 annual adjustment determined under  
9 subparagraph (C) for that fiscal year;  
10 and

11 “(II) the total allotment for the  
12 State under paragraph (1) for the  
13 prior fiscal year, multiplied by the an-  
14 nual adjustment determined under  
15 subparagraph (C) for that fiscal year.

16 “(C) ANNUAL ADJUSTMENT FOR HEALTH  
17 CARE COST GROWTH AND CHILD POPULATION  
18 GROWTH.—The annual adjustment with respect  
19 to a State for any fiscal year is equal to the  
20 product of the amounts determined under  
21 clauses (i) and (ii):

22 “(i) PER CAPITA HEALTH CARE  
23 GROWTH.—1 plus the percentage increase  
24 (if any) in the projected nominal per capita  
25 amount of National Health Expenditures

1 for such fiscal year over the preceding fis-  
2 cal year, as most recently published by the  
3 Secretary before the beginning of the fiscal  
4 year involved.

5 “(ii) CHILD POPULATION GROWTH.—  
6 1.01 plus the percentage increase in the  
7 population of children under 19 years of  
8 age in the United States from July 1 of  
9 the previous fiscal year to July 1 of the fis-  
10 cal year involved, as determined by the  
11 Secretary based on the most recent pub-  
12 lished estimates of the Bureau of the Cen-  
13 sus before the beginning of the fiscal year  
14 involved.

15 “(D) REBASING RULE FOR FISCAL YEAR  
16 2010 AND EACH SECOND SUCCEEDING FISCAL  
17 YEAR FOR CERTAIN STATES.—

18 “(i) IN GENERAL.—For fiscal year  
19 2010 and each second succeeding fiscal  
20 year, a State receiving reallocated funds  
21 under subsection (j) in the prior fiscal year  
22 shall receive an additional spending  
23 amount equal to the proportion (deter-  
24 mined under clause (ii)) of the total allot-  
25 ment amount under subsection (a) for such

1 fiscal year remaining available after the  
2 application of subsections (e)(5) and  
3 (j)(2)(C), and subparagraphs (A) and (B),  
4 if any, multiplied by the ratio of—

5 “(I) the total Federal payments  
6 to the State under this title for the  
7 previous fiscal year attributable to any  
8 funds made available to the State in  
9 the previous fiscal year under sub-  
10 section (j), multiplied by the annual  
11 adjustment determined under sub-  
12 paragraph (C) for the fiscal year; to

13 “(II) the total of such payments  
14 for all States for the previous fiscal  
15 year.

16 “(ii) PROPORTION.—For purposes of  
17 clause (i), the proportion shall equal—

18 “(I) for fiscal year 2010, 20 per-  
19 cent; and

20 “(II) for fiscal year 2012 and  
21 each second succeeding fiscal year, 40  
22 percent.

23 “(3) UNINSURED CHILDREN FACTOR.—

24 “(A) IN GENERAL.—For purposes of para-  
25 graph (1)(B), subject to subparagraph (B), the

1 uninsured children factor for a State is equal to  
2 the total allotment amount under subsection (a)  
3 for a fiscal year beginning with fiscal year  
4 2008, remaining available after application of  
5 subsections (c)(5) and (j)(2)(C) and paragraph  
6 (2), multiplied by the following:

7 “(i) FISCAL YEAR 2008 AND EACH  
8 SECOND SUCCEEDING FISCAL YEAR.—In  
9 the case of fiscal year 2008, and each sec-  
10 ond succeeding fiscal year, the ratio of—

11 “(I) the uninsured children ad-  
12 justment for the State determined  
13 under subparagraph (B); to

14 “(II) the sum of the uninsured  
15 children adjustments for all States de-  
16 termined under subparagraph (B).

17 “(ii) FISCAL YEAR 2009 AND EACH  
18 SECOND SUCCEEDING FISCAL YEAR.—In  
19 the case of fiscal year 2009, and each sec-  
20 ond succeeding fiscal year, the ratio deter-  
21 mined under clause (i) for the previous fis-  
22 cal year.

23 “(B) UNINSURED CHILDREN ADJUST-  
24 MENT.—The uninsured children adjustment de-

1           terminated under this subparagraph for a State is  
2           equal to the product of the following:

3                   “(i) NUMBER OF LOW-INCOME CHIL-  
4                   DREN WITHOUT HEALTH INSURANCE.—

5                   The average of the number of low-income  
6                   children under 19 years of age in the State  
7                   with no health insurance for a fiscal year,  
8                   as reported and defined in the 2 most re-  
9                   cent March supplement to the Current  
10                  Population Survey of the Bureau of the  
11                  Census available prior to the beginning of  
12                  such fiscal year.

13                  “(ii) GEOGRAPHIC VARIATION IN  
14                  HEALTH CARE COSTS.—The adjustment  
15                  for geographic variation in health care  
16                  costs, as determined under subsection  
17                  (b)(3).

18                  “(4) DATA.—In computing the amounts under  
19                  paragraphs (2) and (3) and subsection (c)(5) that  
20                  determine the allotments to States for each fiscal  
21                  year, the Secretary shall use the most recent expend-  
22                  iture data for the prior year available to the Sec-  
23                  retary before the start of each fiscal year. The Sec-  
24                  retary may adjust such amounts and allotments, as  
25                  necessary, on the basis of the expenditure data for

1 the prior year reported by States on CMS Form 64  
2 or CMS Form 21 not later than November 30 of  
3 each fiscal year but in no case shall the Secretary  
4 adjust the allotments provided under this subsection  
5 or subsection (c)(5) for a fiscal year after December  
6 31 of such year.

7 “(5) STATE DEFINED.—In this subsection, the  
8 term ‘State’ means one of the 50 States or the Dis-  
9 trict of Columbia.”.

10 (b) CONFORMING AMENDMENTS.—Section 2104 (42  
11 U.S.C. 1397dd) is amended—

12 (1) in subsection (a), by striking “subsection  
13 (d)” and inserting “subsections (d), (h), and (i)”;

14 (2) in subsection (b)—

15 (A) in paragraph (1), by striking “sub-  
16 section (d)” and inserting “subsections (d), (h),  
17 and (i)”;

18 (B) in paragraph (3)(A), by inserting “and  
19 subsection (i)(3)(D)(ii)” after “paragraph  
20 (1)(A)(ii)”;

21 (3) in subsection (c)(1), by striking “subsection  
22 (d)” and inserting “subsections (d), (h), and (i)”.

1 **SEC. 202. 2-YEAR INITIAL AVAILABILITY OF CHIP ALLOT-**  
 2 **MENTS FOR ALL STATES AND TERRITORIES.**

3 Section 2104(e) (42 U.S.C. 1397dd(e)) is amended  
 4 to read as follows:

5 “(e) AVAILABILITY OF AMOUNTS ALLOTTED.—Sub-  
 6 ject to paragraphs (3) and (4) of subsection (j), amounts  
 7 allotted to a State pursuant to subsections (b), (c), or  
 8 (i)—

9 “(1) for each of fiscal years 1998 through  
 10 2007, shall remain available for expenditure by the  
 11 State through the end of the second succeeding fis-  
 12 cal year; and

13 “(2) for fiscal year 2008 and each fiscal year  
 14 thereafter, shall remain available for expenditure by  
 15 the State through the end of the succeeding fiscal  
 16 year.”.

17 **SEC. 203. ESTABLISHMENT OF TIMELY AND RESPONSIVE**  
 18 **REDISTRIBUTION PROCESS.**

19 (a) IN GENERAL.—Section 2104 (42 U.S.C.  
 20 1397dd), as amended by section 201, is amended by add-  
 21 ing at the end the following new subsection:

22 “(j) TIMELY AND RESPONSIVE REDISTRIBUTIONS  
 23 BEGINNING WITH FISCAL YEAR 2008.—

24 “(1) REALLOCATION TO STATES FACING FED-  
 25 ERAL FUNDING SHORTFALLS.—

1           “(A) IN GENERAL.—Notwithstanding sub-  
2           section (f), in each fiscal year quarter of fiscal  
3           year 2008 and each subsequent fiscal year, the  
4           Secretary shall reallocate to a shortfall State  
5           described in subparagraph (D) from the funds  
6           available under paragraph (2) an amount equal  
7           to the projected amount of the shortfall for the  
8           fiscal year. The Secretary shall only make such  
9           a reallocation under this paragraph to the ex-  
10          tent that there are amounts available under  
11          paragraph (2).

12          “(B) PRORATION RULE.—If the amounts  
13          available under paragraph (2) for any fiscal  
14          year quarter for reallocation under subpara-  
15          graph (A) are less than the total shortfall  
16          amounts for the fiscal year determined under  
17          subparagraph (A), the reallocated amount to  
18          each shortfall State shall be reduced proportion-  
19          ally.

20          “(C) AVAILABILITY OF REALLOCATED  
21          FUNDS.—Any funds made available to a short-  
22          fall State described in subparagraph (D) shall  
23          remain available to such State through the end  
24          of the fiscal year in which such funds are re-  
25          allocated.



1           “(D) SHORTFALL STATE DESCRIBED.—  
2           For purposes of subparagraph (A), a shortfall  
3           State is a State (as defined in subsection (i)(5))  
4           that has a State child health plan approved  
5           under this title (or waiver of such title approved  
6           by the Secretary) for which the Secretary esti-  
7           mates on a quarterly basis using the most re-  
8           cent data available to the Secretary as of such  
9           quarter, that the projected expenditures under  
10          such plan (or waiver) for the State for the fiscal  
11          year will exceed the sum of—

12                   “(i) the amount of the allotments pro-  
13                   vided under subsection (b) or (i) in fiscal  
14                   years preceding such fiscal year that re-  
15                   main available to the State;

16                   “(ii) the amount of the allotment  
17                   under subsection (i) for such fiscal year to  
18                   the State; and

19                   “(iii) the amount of any reallocated  
20                   funds made available under subparagraph  
21                   (A) in previous quarters of such fiscal year  
22                   to the State.

23           “(2) AMOUNTS AVAILABLE FOR REALLOCA-  
24          TION.—Amounts available for reallocation in any fis-

1 cal year under this subsection shall equal the sum of  
2 the following:

3 “(A) Any allotments remaining unex-  
4 pended after the period of availability under  
5 subsection (e).

6 “(B) Any amounts available for realloca-  
7 tion and remaining unexpended at the end of  
8 the previous fiscal year under paragraph (3).

9 “(C) Subject to paragraph (4), 5 percent  
10 of the total amount available under subsection  
11 (a) for such fiscal year.

12 “(3) CONTINUED AVAILABILITY OF UNEX-  
13 PENDED REALLOCATED FUNDS.—Any unexpended  
14 amounts reallocated to a shortfall State remaining  
15 available after the period of availability under para-  
16 graph (1)(C) and any amounts available for redis-  
17 tribution in a fiscal year that are not reallocated to  
18 a shortfall State because the total amount available  
19 for reallocation exceeds the total of all reallocated  
20 amounts under paragraph (1)(A) shall remain avail-  
21 able for reallocation until expended.

22 “(4) LIMITS ON WITHHOLDING FROM TOTAL  
23 ALLOTMENTS FOR PURPOSES OF REALLOCATION.—If  
24 the Secretary determines that the total amounts  
25 available for reallocation under paragraph (2) for a

1 fiscal year exceeds 10 percent of the total amount  
 2 available under subsection (a) for that fiscal year,  
 3 the Secretary shall reduce the percentage under  
 4 paragraph (2)(C) accordingly so that the total  
 5 amount available for reallocation under paragraph  
 6 (2) for the fiscal year does not exceed 10 percent of  
 7 the total amount available under subsection (a) for  
 8 such fiscal year.”.

9 **SEC. 204. IMPROVING FUNDING FOR THE TERRITORIES**  
 10 **UNDER CHIP AND MEDICAID.**

11 (a) UPDATE OF CHIP ALLOTMENTS.—Section  
 12 2104(c) (42 U.S.C. 1397dd(c)) is amended—

13 (1) in paragraph (1), by inserting “and para-  
 14 graphs (5) and (6)” after “subsection (d)”; and

15 (2) by adding at the end the following new  
 16 paragraphs:

17 “(5) ANNUAL ALLOTMENTS FOR TERRITORIES  
 18 BEGINNING WITH FISCAL YEAR 2008.—Of the total  
 19 allotment amount appropriated under subsection (a)  
 20 for a fiscal year beginning with fiscal year 2008 and  
 21 remaining available after the application of sub-  
 22 section (j), the Secretary shall allot to each of the  
 23 commonwealths and territories described in para-  
 24 graph (3) the following:

1           “(A) FISCAL YEAR 2008.—For fiscal year  
2           2008, the highest amount of Federal payments  
3           to the commonwealth or territory under this  
4           title for any fiscal year occurring during the pe-  
5           riod of fiscal years 1998 through 2007, multi-  
6           plied by the annual adjustment determined  
7           under subsection (i)(2)(C) for the fiscal year.

8           “(B) FISCAL YEAR 2009 AND SUCCEEDING  
9           FISCAL YEARS.—For fiscal year 2009 and each  
10          succeeding fiscal year, the amount determined  
11          under clause (i), multiplied by the annual ad-  
12          justment determined under subsection (i)(2)(C)  
13          for the fiscal year.

14          “(6) REDISTRIBUTIONS FOR TERRITORIES FAC-  
15          ING FEDERAL FUNDING SHORTFALLS.—Notwith-  
16          standing subsection (f), the Secretary shall deter-  
17          mine an appropriate procedure for reallocating to  
18          each commonwealth or territory described in para-  
19          graph (3) that would, with respect to each fiscal  
20          year quarter of fiscal year 2008 be a shortfall State  
21          described in subsection (j)(1)(D) if such subsection  
22          applied to such commonwealth or territory, from the  
23          funds available under subsection (j)(2) for such fis-  
24          cal year, the same proportion as the proportion of  
25          the commonwealth’s or territory’s allotment under

1 paragraph (2 ) to such percentage (not to exceed  
2 1.05 percent) as the Secretary determines appro-  
3 priate of such funds.”.

4 (b) REMOVAL OF FEDERAL MATCHING PAYMENTS  
5 FOR DATA REPORTING SYSTEMS FROM THE OVERALL  
6 LIMIT ON PAYMENTS TO TERRITORIES UNDER TITLE  
7 XIX.—Section 1108(g) (42 U.S.C. 1308(g)) is amended  
8 by adding at the end the following new paragraph:

9 “(4) EXCLUSION OF CERTAIN EXPENDITURES  
10 FROM PAYMENT LIMITS.—With respect to fiscal year  
11 2008 and each fiscal year thereafter, if Puerto Rico,  
12 the Virgin Islands, Guam, the Northern Mariana Is-  
13 lands, or American Samoa qualify for a payment  
14 under subparagraph (A)(i), (A) (iii), (A)(iv), or (B)  
15 of section 1903(a)(3) for a calendar quarter of such  
16 fiscal year, the limitation on expenditures under title  
17 XIX for such commonwealth or territory otherwise  
18 determined under subsection (f) and this subsection  
19 for such fiscal year shall be determined without re-  
20 gard to such payment.”.

21 (c) GAO STUDY AND REPORT.—Not later than Sep-  
22 tember 30, 2009, the Comptroller General of the United  
23 States shall submit a report to Congress regarding Fed-  
24 eral funding under Medicaid and the State Children’s  
25 Health Insurance Program for Puerto Rico, the United

1 States Virgin Islands, Guam, American Samoa, and the  
2 Northern Mariana Islands. The report shall include the  
3 following:

4 (1) An analysis of all relevant factors with re-  
5 spect to—

6 (A) eligible Medicaid and CHIP popu-  
7 lations in such commonwealths and territories;

8 (B) historical and projected spending needs  
9 of such commonwealths and territories and the  
10 ability of capped funding streams to respond to  
11 those spending needs;

12 (C) the extent to which Federal poverty  
13 guidelines are used by such commonwealths and  
14 territories to determine Medicaid and CHIP eli-  
15 gibility; and

16 (D) the extent to which such common-  
17 wealths and territories participate in data col-  
18 lection and reporting related to Medicaid and  
19 CHIP, including an analysis of territory partici-  
20 pation in the Current Population Survey versus  
21 the American Community Survey.

22 (2) Recommendations for improving Federal  
23 funding under Medicaid and the State Children's  
24 Health Insurance Program for such commonwealths  
25 and territories.

1 **SEC. 205. EXTENSION OF AUTHORITY FOR QUALIFYING**  
 2 **STATES TO USE CHIP ALLOTMENTS FOR CER-**  
 3 **TAIN MEDICAID EXPENDITURES.**

4 Section 2105(g)(1)(A) (42 U.S.C. 1397ee(g)(1)(A)),  
 5 as amended by section 201(b) of the National Institutes  
 6 of Health Reform Act of 2006 (Public Law 109–482) is  
 7 amended by striking “not more than 20 percent of any  
 8 allotment under section 2104 for fiscal year 1998, 1999,  
 9 2000, 2001, 2004, 2005, 2006, or 2007” and inserting  
 10 “any allotment under subsection (b) or (i) of section 2104  
 11 for a fiscal year”.

12 **SEC. 206. STATE OPTION TO EXPAND COVERAGE OF CHIL-**  
 13 **DREN UNDER CHIP UP TO 300 PERCENT OF**  
 14 **THE POVERTY LINE.**

15 Section 2110(b)(1)(B) (42 U.S.C. 1397jj(b)(1)(B)) is  
 16 amended—

17 (1) in clause (i), by striking “, or” at the end  
 18 and inserting a semicolon;

19 (2) in clause (ii)(III), by striking “and” at the  
 20 end and inserting “or”; and

21 (3) by adding at the end the following new  
 22 clause:

23 “(iii) is a child—

24 “(I) whose family income (as deter-  
 25 mined under the State child health plan)

1 does not exceed 300 percent of the poverty  
 2 line for a family of the size involved; or

3 “(II) whose family income exceeds  
 4 300 percent of the poverty line but does  
 5 not exceed 50 percentage points above the  
 6 effective income level (expressed as a per-  
 7 cent of the poverty line and considering ap-  
 8 plicable income disregards) applied under  
 9 the State child health plan on the date of  
 10 enactment of this clause; and”.

11 **SEC. 207. REQUIRING RESPONSIBLE CHIP ENROLLMENT**  
 12 **GROWTH.**

13 (a) LIMITATION ON APPROVAL OF PROPOSED PLAN  
 14 AMENDMENTS.—Section 2106(b)(3)(B) (42 U.S.C.  
 15 1397ff(b)(3)(B)) is amended by adding at the end the fol-  
 16 lowing new clause:

17 “(iii) AMENDMENTS TO EXPAND ELI-  
 18 GIBILITY BEYOND HIGHEST INCOME ELIGI-  
 19 BILITY PERMITTED.—Any plan amendment  
 20 that would allow funds made available  
 21 under this title to be used to provide child  
 22 health assistance or other health benefits  
 23 coverage for a child whose family income  
 24 exceeds the highest income eligibility level  
 25 permitted under section 2110(b)(1)(B)(iii)



1 (in this clause referred to as an ‘expansion  
2 amendment’) may not take effect, and  
3 shall not remain in effect, unless the Sec-  
4 retary determines that the following condi-  
5 tions are met:

6 “(I) UNINSURED RATE FOR LOW-  
7 INCOME CHILDREN IS BELOW THE NA-  
8 TIONAL AVERAGE.—With respect to  
9 each fiscal year in which the expan-  
10 sion amendment is in effect, the per-  
11 centage of low-income children with-  
12 out private health coverage who are  
13 uninsured is below the national aver-  
14 age percentage of such children, for  
15 the most recent year for which such  
16 data is available (as determined by  
17 the Secretary on the basis of the 2  
18 most recent Annual Social and Eco-  
19 nomic Supplements of the Current  
20 Population Survey of the Bureau of  
21 the Census).

22 “(II) OPEN ENROLLMENT; MAIN-  
23 TENANCE OF ELIGIBILITY STAND-  
24 ARDS.—The State does not impose  
25 any numerical limitation, waiting list,

1 or similar limitation on eligibility for  
2 targeted low-income children described  
3 in section 2110(b)(1)(B)(iii) under  
4 the State child health plan, or to  
5 make more restrictive the eligibility  
6 standards for such children, while the  
7 expansion amendment is in effect.

8 “(III) IMPLEMENTATION OF SIM-  
9 PLIFIED OUTREACH AND ENROLL-  
10 MENT PROCEDURES.—The State sub-  
11 mitting the expansion amendment has  
12 implemented procedures to effectively  
13 enroll and retain children eligible for  
14 medical assistance under title XIX  
15 and children eligible for child health  
16 assistance under this title by adopting  
17 and effectively implementing with re-  
18 spect to such children at least 3 of the  
19 following policies and procedures  
20 under title XIX and this title:

21 “(aa) JOINT APPLICATION  
22 AND RENEWAL PROCESS THAT  
23 PERMITS APPLICATION OTHER  
24 THAN IN PERSON.—The applica-  
25 tion and renewal forms and sup-

1           plemental forms (if any) and in-  
2           formation verification process is  
3           the same for purposes of estab-  
4           lishing and renewing eligibility  
5           for children for medical assist-  
6           ance under title XIX and child  
7           health assistance under this title,  
8           and such process does not require  
9           an application to be made in per-  
10          son or a face-to-face interview.

11           “(bb) NO ASSETS TEST.—  
12          The State does not apply any as-  
13          sets test for eligibility under title  
14          XIX and this title with respect to  
15          children.

16           “(cc) 12-MONTHS CONTIN-  
17          UOUS ELIGIBILITY.—The State  
18          has elected the option of contin-  
19          uous eligibility for a full 12  
20          months for children described in  
21          section 1902(e)(12) under title  
22          XIX, and applies such option  
23          under this title.

24           “(dd) PRESUMPTIVE ELIGI-  
25          BILITY FOR CHILDREN.—The

1 State has implemented the op-  
2 tion, for purposes of title XIX  
3 and this title, of applying pre-  
4 sumptive eligibility for children in  
5 accordance with sections 1920A  
6 and 2107(e)(1)(F).

7 “(IV) ANNUAL REPORTING OF  
8 MEASURES OF QUALITY OF HEALTH  
9 CARE FOR CHILDREN.—The State sat-  
10 isfies the requirements of section  
11 1905(y)(2)(B)(iv) (relating to annual  
12 reporting of measures of quality of  
13 health care for children under title  
14 XIX and this title).”

15 (b) APPLICATION TO WAIVERS.—Section 2107(f) (42  
16 U.S.C. 1397gg(f)) is amended—

17 (1) by striking “, the Secretary” and inserting  
18 “:

19 “(1) The Secretary”; and

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

22 “(2) The Secretary may not approve a waiver,  
23 experimental, pilot, or demonstration project with re-  
24 spect to a State that would allow funds made avail-  
25 able under this title to be used to provide child

1 health assistance or other health benefits coverage  
 2 for a child whose family income exceeds the highest  
 3 income eligibility level permitted under section  
 4 2110(b)(1)(B)(iii) (in this paragraph referred to as  
 5 an ‘expansion waiver’) unless the Secretary deter-  
 6 mines that the conditions described in each of sub-  
 7 clauses (I) through (IV) of section 2106(b)(3)(B)(iii)  
 8 are met (and determines on an ongoing basis, that  
 9 such conditions continue to be met while the expan-  
 10 sion waiver is in effect).”.

11 **TITLE III—ENROLLING UNIN-**  
 12 **SURED CHILDREN ELIGIBLE**  
 13 **FOR CHIP AND MEDICAID**

14 **SEC. 301. “EXPRESS LANE” OPTION FOR STATES TO DETER-**  
 15 **MINE COMPONENTS OF A CHILD’S ELIGI-**  
 16 **BILITY FOR MEDICAID OR CHIP.**

17 (a) MEDICAID.—Section 1902(e) (42 U.S.C.  
 18 1396a(e)) is amended by adding at the end the following  
 19 new paragraph:

20 “(13)(A)(i) At the option of the State, notwith-  
 21 standing any other provision of law, including subsection  
 22 (a)(46)(B) and sections 1137(d) and 1903(x), the State  
 23 may rely on a determination made within a reasonable pe-  
 24 riod (as determined by the State) by an Express Lane  
 25 agency (as defined in subparagraph (F)(i)) to determine

1 whether an individual has met the income, assets or re-  
2 sources, or citizenship status criteria for eligibility for  
3 medical assistance under this title (including under a  
4 waiver of the requirements of this title).

5 “(ii) The option under clause (i) shall apply to rede-  
6 terminations or renewals of eligibility for medical assist-  
7 ance, as well as to initial applications for such assistance.

8 “(iii) The option under clause (i) shall apply to a  
9 child who is under an age specified by the State (not to  
10 exceed 21 years of age) and, at State option, may also  
11 apply to an individual who is not a child.

12 “(B) Nothing in this paragraph shall be construed  
13 to relieve a State of the obligation to determine eligibility  
14 for medical assistance under this title if an individual is  
15 determined ineligible for such assistance on the basis of  
16 information furnished pursuant to this paragraph.

17 “(C) A State shall inform an individual (or, in the  
18 case of a child, the family of the child) enrolled in the  
19 State plan under this title and required to pay premiums  
20 for such enrollment based on an income determination fur-  
21 nished to the State pursuant to this paragraph that the  
22 individual or family may qualify for lower premium pay-  
23 ments if directly evaluated for eligibility by the State Med-  
24 icaid agency.

1       “(D) If a State applies the eligibility process de-  
2 scribed in subparagraph (A) to individuals eligible for  
3 medical assistance under this title, the State may, at its  
4 option, implement its duties under subparagraphs (A) and  
5 (B) of section 2102(b)(3) using either or both of the fol-  
6 lowing approaches:

7               “(i) The State may—

8                       “(I) establish a threshold percentage of the  
9 Federal poverty level (that shall exceed the in-  
10 come eligibility level applicable for a population  
11 of individuals under this title by 30 percentage  
12 points (as a fraction of the Federal poverty  
13 level) or such other higher number of percent-  
14 age points as the State determines reflects the  
15 typical application of income methodologies by  
16 the program administered by the Express Lane  
17 agency and the State plan under this title); and

18                       “(II) provide that, with respect to any in-  
19 dividual within such population whom an Ex-  
20 press Lane agency determines has income that  
21 does not exceed such threshold percentage for  
22 such population, such individual is eligible for  
23 medical assistance under this title (regardless of  
24 whether such individual would otherwise be de-

1           terminated to be eligible to receive such assist-  
2           ance).

3           In exercising the approach under this clause, a State  
4           shall inform families whose children are enrolled in  
5           a State child health plan under title XXI based on  
6           having family income above the threshold described  
7           in subclause (I) that they may qualify for medical  
8           assistance under this title and, at their option, can  
9           seek a regular eligibility determination for such as-  
10          sistance for their child, and that if their child is de-  
11          termined to be eligible for such assistance, the child  
12          may receive health benefits coverage that is more af-  
13          fordable and comprehensive than the coverage that  
14          would be provided to the child under the State child  
15          health plan.

16               “(ii) Regardless of whether a State otherwise  
17               provides for presumptive eligibility under section  
18               1920A, a State may provide presumptive eligibility  
19               under this title, consistent with subsection (e) of sec-  
20               tion 1920A, to a child who, based on a determina-  
21               tion by an Express Lane agency, would qualify for  
22               child health assistance under a State child health  
23               plan under title XXI. During such presumptive eligi-  
24               bility period, the State may determine the child’s eli-  
25               gibility for medical assistance under this title, pursu-



1 ant to subparagraph (A) of section 2102(b)(3),  
2 based on telephone contact with family members, ac-  
3 cess to data available in electronic or paper form,  
4 and other means of gathering information that are  
5 less burdensome to the family than completing an  
6 application form on behalf of the child. The proce-  
7 dures described in the previous sentence may be  
8 used regardless of whether the State uses similar  
9 procedures under other circumstances for purposes  
10 of determining eligibility for medical assistance  
11 under this title.

12 “(E)(i) At the option of a State, an individual deter-  
13 mined to be eligible for medical assistance pursuant to  
14 subparagraph (A), (C), or (D) or other procedures  
15 through which eligibility is determined based on data ob-  
16 tained from sources other than the individual, may receive  
17 medical assistance under this title if such individual (or,  
18 in the case of an individual under age 19 (or if the State  
19 elects the option under subparagraph (A), age 20 or 21)  
20 who is not authorized to consent to medical care, the indi-  
21 vidual’s parent, guardian, or other caretaker relative) has  
22 acknowledged notice of such determination and has con-  
23 sented to being enrolled in the State plan under this title.  
24 The State (at its option) may waive any otherwise applica-

1 ble requirements for signatures by or on behalf of an indi-  
2 vidual who has so consented.

3       “(ii) In the case of an individual enrolled pursuant  
4 to clause (i), the State shall inform the individual (or, in  
5 the case of an individual under age 19 (or if the State  
6 elects the option under subparagraph (A), age 20 or 21),  
7 the individual’s parent, guardian, or other caretaker rel-  
8 ative) about the significance of such enrollment, including  
9 appropriate methods to access covered services.

10       “(F) In this paragraph, the term ‘Express Lane  
11 agency’ means a Federal or State agency, or a public or  
12 private entity making such determination on behalf of  
13 such agency, specified by the plan, including an agency  
14 administering the State program funded under part A of  
15 title IV, the State child health plan under title XXI, the  
16 Food Stamp Act of 1977, the Richard B. Russell National  
17 School Lunch Act, or the Child Nutrition Act of 1966,  
18 notwithstanding any differences in budget unit, disregard,  
19 deeming, or other methodology, but only if—

20               “(i) the agency or entity has fiscal liabilities or  
21 responsibilities affected by such determination;

22               “(ii) the agency or entity notifies the child’s  
23 family—

24               “(I) of the information which shall be dis-  
25 closed in accordance with this paragraph;

1           “(II) that the information disclosed will be  
2           used solely for purposes of determining eligi-  
3           bility for medical assistance under this title or  
4           for child health assistance under title XXI;

5           “(III) that interagency agreements limit  
6           the use of such information to such purposes;  
7           and

8           “(IV) that the family may elect to not have  
9           the information disclosed for such purposes;  
10          and

11          “(iii) the requirements of section 1939 are sat-  
12          isfied.”.

13          (b)   CHIP.—Section   2107(e)(1)   (42   U.S.C.  
14   1397gg(e)(1)) is amended by redesignating subparagraphs  
15   (B) through (D) as subparagraphs (C) through (E), re-  
16   spectively, and by inserting after subparagraph (A) the  
17   following new subparagraph:

18               “(B) Section 1902(e)(13) (relating to the  
19               State option to base a determination of a child’s  
20               eligibility for assistance on determinations made  
21               by an agency other than the State Medicaid  
22               agency).”.

23          (c)   PRESUMPTIVE           ELIGIBILITY.—Section  
24   1920A(b)(3)(A)(i) (42 U.S.C. 1396r-1a(b)(3)(A)(i)) is  
25   amended by striking “or (IV)” and inserting “(IV) is an

1 agency or entity described in section 1902(e)(13)(F), or  
2 (V)”.

3 (d) SIGNATURE REQUIREMENTS.—Section 1902(a)  
4 (42 U.S.C. 1396a(a)) is amended by adding at the end  
5 the following new sentence: “Notwithstanding any other  
6 provision of law, a signature under penalty of perjury shall  
7 not be required on an application form for medical assist-  
8 ance as to any element of eligibility for which eligibility  
9 is based on information received from a source other than  
10 an applicant, rather than on representations from the ap-  
11 plicant. Notwithstanding any other provision of law, any  
12 signature requirement for an application for medical as-  
13 sistance may be satisfied through an electronic signature,  
14 as defined in section 1710(1) of the Government Paper-  
15 work Elimination Act (44 U.S.C. 3504 note).”.

16 **SEC. 302. INFORMATION TECHNOLOGY CONNECTIONS TO**  
17 **SIMPLIFY HEALTH COVERAGE DETERMINA-**  
18 **TIONS.**

19 (a) ENHANCED ADMINISTRATIVE FUNDING FOR IN-  
20 FORMATION TECHNOLOGY USED TO SIMPLIFY ELIGI-  
21 BILITY DETERMINATIONS.—Section 1903(a)(3)(A) (42  
22 U.S.C. 1396b(a)(3)(A)) is amended—

23 (1) by striking “and” at the end of clause (i);  
24 and

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

3                   “(iii) 75 percent of so much of the sums  
4 expended during such quarter as are attrib-  
5 utable to information technology needed to con-  
6 duct data matches or for the exchange of elec-  
7 tronic information with an Express Lane agen-  
8 cy (as defined in 1902(e)(13)(F)) as the Sec-  
9 retary determines is directly related to reducing  
10 the need for an individual undergoing an eligi-  
11 bility determination for medical assistance  
12 under this title or child health assistance under  
13 title XXI (including a determination of a re-  
14 newal of eligibility for such assistance) to pro-  
15 vide information previously submitted by or on  
16 behalf of the individual to such agency, and”.

17       (b) AUTHORIZATION OF INFORMATION DISCLO-  
18 SURE.—

19           (1) IN GENERAL.—Title XIX (42 U.S.C. 1396  
20 et seq.) is amended—

21                   (A) by redesignating section 1939 as sec-  
22 tion 1940; and

23                   (B) by inserting after section 1938 the fol-  
24 lowing new section:

1 “AUTHORIZATION TO RECEIVE PERTINENT INFORMATION  
2 “SEC. 1939. (a) IN GENERAL.—Notwithstanding any  
3 other provision of law, a Federal or State agency or pri-  
4 vate entity in possession of the sources of data potentially  
5 pertinent to eligibility determinations under this title (in-  
6 cluding eligibility files maintained by Express Lane agen-  
7 cies described in section 1902(e)(13)(F), information de-  
8 scribed in paragraph (2) or (3) of section 1137(a), vital  
9 records information about births in any State, and infor-  
10 mation described in sections 453(i) and 1902(a)(25)(I))  
11 is authorized to convey such data or information to the  
12 State agency administering the State plan under this title,  
13 if—

14 “(1) such data or information are used only to  
15 establish or verify eligibility or provide coverage  
16 under this title; and

17 “(2) an interagency or other agreement, con-  
18 sistent with standards developed by the Secretary,  
19 prevents the unauthorized use, disclosure, or modi-  
20 fication of such data and otherwise meets applicable  
21 Federal requirements safeguarding privacy and data  
22 security.

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

1           “(1) The individual whose circumstances are  
2 described in the data or information (or such indi-  
3 vidual’s parent, guardian, caretaker relative, or au-  
4 thorized representative) has either provided advance  
5 consent to disclosure or has not objected to disclo-  
6 sure after receiving advance notice of disclosure and  
7 a reasonable opportunity to object.

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

10           “(A) identifying individuals who are eligi-  
11 ble or potentially eligible for medical assistance  
12 under this title and enrolling such individuals in  
13 the State plan; and

14           “(B) verifying the eligibility of individuals  
15 for medical assistance under the State plan.

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

18           “(A) prevents the unauthorized use, disclo-  
19 sure, or modification of such data and other-  
20 wise meets applicable Federal requirements  
21 safeguarding privacy and data security; and

22           “(B) requires the State agency admin-  
23 istering the State plan to use the data and in-  
24 formation obtained under this section to seek to  
25 enroll individuals in the plan.

1       “(c) CRIMINAL PENALTY.—A person described in the  
2 subsection (a) who publishes, divulges, discloses, or makes  
3 known in any manner, or to any extent not authorized by  
4 Federal law, any information obtained under this section  
5 shall be fined not more than \$1,000 or imprisoned not  
6 more than 1 year, or both, for each such unauthorized  
7 activity.

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

13           (2) CONFORMING AMENDMENT TO TITLE XXI.—  
14 Section 2107(e)(1) (42 U.S.C. 1397gg(e)(1)), as  
15 amended by section 301(b), is amended by adding at  
16 the end the following new subparagraph:

17                   “(F) Section 1939 (relating to authoriza-  
18 tion to receive data potentially pertinent to eli-  
19 gibility determinations).”.

20           (3) CONFORMING AMENDMENT TO ASSURE AC-  
21 CESS TO NATIONAL NEW HIRES DATABASE.—Section  
22 453(i)(1) (42 U.S.C. 653(i)(1)) is amended by strik-  
23 ing “and programs funded under part A” and in-  
24 serting “, programs funded under part A, and State  
25 plans approved under title XIX or XXI”.



1           (4) CONFORMING AMENDMENT TO PROVIDE  
2 CHIP PROGRAMS WITH ACCESS TO NATIONAL INCOME  
3 DATA.—Section 6103(l)(7)(D)(ii) of the Internal  
4 Revenue Code of 1986 is amended by inserting “or  
5 title XXI” after “title XIX”.

6           (5) CONFORMING AMENDMENT TO PROVIDE AC-  
7 CESS TO DATA ABOUT ENROLLMENT IN INSURANCE  
8 FOR PURPOSES OF EVALUATING APPLICATIONS AND  
9 FOR CHIP.—Section 1902(a)(25)(I)(i) (42 U.S.C.  
10 1396a(a)(25)(I)(i)) is amended—

11           (A) by inserting “(and, at State option, in-  
12 dividuals who are potentially eligible or who  
13 apply)” after “with respect to individuals who  
14 are eligible”; and

15           (B) by inserting “under this title (and, at  
16 State option, child health assistance under title  
17 XXI)” after “the State plan”.

18 **SEC. 303. ENHANCED ADMINISTRATIVE FUNDING FOR**  
19 **TRANSLATION OR INTERPRETATION SERV-**  
20 **ICES.**

21           Section 1903(a)(2) (42 U.S.C. 1396b(a)(2)) is  
22 amended by adding at the end the following new subpara-  
23 graph:

24           “(E) an amount equal to 75 percent of so much  
25 of the sums expended during such quarter (as found

1 necessary by the Secretary for the proper and effi-  
 2 cient administration of the State plan) as are attrib-  
 3 utable to translation or interpretation services in  
 4 connection with the enrollment and use of services  
 5 under this title by individuals for whom English is  
 6 not their primary language; plus”.

7 **SEC. 304. ENHANCED ASSISTANCE WITH COVERAGE COSTS**  
 8 **FOR STATES WITH INCREASING OR HIGH**  
 9 **COVERAGE RATES AMONG CHILDREN.**

10 Section 1905 (42 U.S.C. 1396d) is amended—

11 (1) in subsection (b), in the first sentence—

12 (A) by striking “and (4)” and inserting  
 13 “(4)”; and

14 (B) by inserting “, and (5) the Federal  
 15 medical assistance percentage with respect to  
 16 medical assistance provided to individuals who  
 17 have not attained age 19 for a fiscal year shall  
 18 be increased, notwithstanding the previous  
 19 clauses of this sentence, in the case of a State  
 20 that meets the conditions described in subpara-  
 21 graph (A) of subsection (y)(1) in the preceding  
 22 fiscal year by the number of percentage points  
 23 determined under subparagraph (B) of that  
 24 subsection, in the case of a State that is de-  
 25 scribed in subparagraph (A) of subsection

1 (y)(2) in the preceding fiscal year, by the num-  
2 ber of percentage points determined under sub-  
3 paragraph (D) of that subsection, and, in the  
4 case of a State described in both such subpara-  
5 graphs in the preceding fiscal year, by the  
6 greater of the number of percentage points de-  
7 termined under paragraph (1)(B) or (2)(D) of  
8 subsection (y)” before the period; and

9 (2) by adding at the end the following new sub-  
10 section:

11 “(y) DETERMINATION OF INCREASE IN FMAP FOR  
12 MEDICAL ASSISTANCE FOR CHILDREN FOR CERTAIN  
13 STATES.—

14 “(1) FOR STATES SIGNIFICANTLY INCREASING  
15 ENROLLMENT OF ELIGIBLE CHILDREN.—

16 “(A) SIGNIFICANT INCREASE IN ENROLL-  
17 MENT OF ELIGIBLE CHILDREN.—

18 “(i) IN GENERAL.—For purposes of  
19 clause (5) of the first sentence of sub-  
20 section (b), a State described in this para-  
21 graph is a State that satisfies the report-  
22 ing requirements described in clause (iii)  
23 and has a percentage increase in the child  
24 caseload in the reference year over the ini-

1 tial reference year that exceeds the bench-  
2 mark rate of growth.

3 “(ii) DEFINITIONS.—For purposes of  
4 clause (i):

5 “(I) CHILD CASELOAD.—The  
6 term ‘child caseload’ means the aver-  
7 age monthly enrollment of individuals  
8 under age 19 in the State plan under  
9 this title or under a waiver of such  
10 title, as determined by the Secretary.

11 “(II) INITIAL REFERENCE  
12 YEAR.—The term ‘initial reference  
13 year’ means the 12-month period pre-  
14 ceding August 1, 2007.

15 “(III) REFERENCE YEAR.—The  
16 term ‘reference year’ means, with re-  
17 spect to a fiscal year, the 12-month  
18 period preceding August 1 of such fis-  
19 cal year.

20 “(IV) BENCHMARK RATE OF  
21 GROWTH.—The term ‘benchmark rate  
22 of growth’ means, with respect to a  
23 fiscal year, the product of the pro-  
24 jected rate of growth of children in  
25 Medicaid at time of enactment, multi-

1           plied by the number of fiscal years  
2           that have elapsed since the initial ref-  
3           erence year.

4                   “(V) PROJECTED RATE OF  
5           GROWTH OF CHILDREN IN MEDICAID  
6           AT TIME OF ENACTMENT.—The term  
7           ‘projected rate of growth of children  
8           in Medicaid at time of enactment’  
9           means the average annual rate of  
10          growth for children enrolled in all  
11          State plans under this title (or under  
12          waivers of such title) during the pe-  
13          riod beginning with fiscal year 2007  
14          and ending with fiscal year 2010, as  
15          projected in March 2007 by the Direc-  
16          tor of the Congressional Budget Of-  
17          fice.

18                   “(iii) STATE REPORTING REQUIRE-  
19          MENTS.—The State shall submit to the  
20          Secretary such data relating to the average  
21          monthly enrollment of individuals who have  
22          not attained age 19 under this title and  
23          title XXI (including under waivers of such  
24          titles) as the Secretary shall specify for the  
25          purpose of increasing under clause (5) of

1 subsection (b) the Federal medical assist-  
2 ance percentage for a State for a fiscal  
3 year in accordance with this subsection.

4 “(B) DETERMINATION OF INCREASE.—

5 “(i) IN GENERAL.—Subject to clause  
6 (ii), for purposes of clause (5) of the first  
7 sentence of subsection (b), in the case of a  
8 State described in subparagraph (A), the  
9 number of percentage points determined  
10 under this subparagraph is equal to the  
11 percentage increase in the State child case-  
12 load determined for purposes of subpara-  
13 graph (A)(i).

14 “(ii) LIMITATION ON INCREASE.—In  
15 no event may the Federal medical assist-  
16 ance percentage for a State for a fiscal  
17 year exceed 85 percent as a result of an in-  
18 crease under this paragraph.

19 “(C) SECRETARIAL RESPONSIBILITIES.—

20 “(i) REVIEW AND VERIFICATION OF  
21 CHILD CASELOAD DATA.—The Secretary  
22 shall review the child caseload data pro-  
23 vided by States for purposes of this para-  
24 graph and shall conduct data matches on

1 a periodic basis to verify the child case-  
2 loads determined for States.

3 “(ii) NOTICE TO STATES.—Not later  
4 than September 30 of each fiscal year be-  
5 ginning with fiscal year 2008, the Sec-  
6 retary shall inform each State on the ex-  
7 tent to which the child caseload in the  
8 most recent reference year exceeds or does  
9 not exceed the benchmark rate of growth  
10 for such fiscal year.

11 “(2) FOR STATES THAT HAVE ACHIEVED AT  
12 LEAST A HIGH PARTICIPATION RATE FOR COVERAGE  
13 OF UNINSURED LOW-INCOME CHILDREN.—

14 “(A) IN GENERAL.—For purposes of  
15 clause (5) of the first sentence of subsection  
16 (b), a State described in this paragraph is a  
17 State—

18 “(i) for which the percentage of low-  
19 income children without private health cov-  
20 erage who are uninsured (as determined  
21 under subparagraph (D)) is at least 90  
22 percent; and

23 “(ii) that satisfies the conditions de-  
24 scribed in subparagraph (B) (with respect

1 to coverage of children under this title and  
2 title XXI) and paragraph (1)(A)(iii).

3 “(B) CONDITIONS DESCRIBED.—The con-  
4 ditions described in this subparagraph are the  
5 following:

6 “(i) CONTINUOUS ELIGIBILITY RE-  
7 QUIREMENT.—The State has elected the  
8 option of continuous eligibility for a full 12  
9 months for children described in section  
10 1902(e)(12) under this title, as well as ap-  
11 plying such policy under its State child  
12 health plan under title XXI.

13 “(ii) NO WAITING LIST FOR TITLE  
14 XXI.—The State does not impose any nu-  
15 merical limitation, waiting list, or similar  
16 limitation on eligibility for assistance under  
17 title XXI and has not imposed any such  
18 limitation or list within the preceding 3  
19 years.

20 “(iii) NO ASSETS TEST.—The State  
21 does not apply any assets test for eligibility  
22 under this title or title XXI with respect to  
23 children.

24 “(iv) ANNUAL REPORTING OF MEAS-  
25 URES OF QUALITY OF HEALTH CARE FOR



1 CHILDREN.—The State annually reports  
2 on the measures required under section  
3 601 of the Children’s Health Insurance  
4 Program (CHIP) Reauthorization Act of  
5 2007 with respect to the quality of health  
6 care for children under the State plan  
7 under this title and the State child health  
8 plan under title XXI or is otherwise deter-  
9 mined by the Secretary to have imple-  
10 mented a comprehensive system for gath-  
11 ering information and reporting on the  
12 quality of health care for children enrolled  
13 under such plans.

14 “(C) DETERMINATION OF INCREASE.—

15 “(i) IN GENERAL.—Subject to clause  
16 (ii), for purposes of clause (5) of the first  
17 sentence of subsection (b), in the case of a  
18 State described in subparagraph (A), the  
19 number of percentage points determined  
20 under this subparagraph is equal to the  
21 number of percentage points by which the  
22 percentage described in subparagraph  
23 (A)(i) exceeds 90 percent.

24 “(ii) LIMITATION ON INCREASE.—In  
25 no event may the Federal medical assist-

1           ance percentage for a State for a fiscal  
2           year exceed 85 percent as a result of an in-  
3           crease under this paragraph.

4           “(D) SECRETARIAL RESPONSIBILITIES.—

5                   “(i) DETERMINATION OF STATE  
6           RATES.—The rates described in subpara-  
7           graph (A)(i) shall be determined by the  
8           Secretary on the basis of the 2 most recent  
9           Annual Social and Economic Supplements  
10          of the Current Population Survey of the  
11          Bureau of the Census.

12                   “(ii) NOTICE TO STATES.—Not later  
13          than September 30 of each fiscal year be-  
14          ginning with fiscal year 2008, the Sec-  
15          retary shall inform each State on the ex-  
16          tent to which the State’s participation rate  
17          among uninsured low-income children ex-  
18          ceeds or does not exceed 90 percent.

19                   “(3) INCREASE IN CAP ON PAYMENTS TO TER-  
20          RITORIES.—If Puerto Rico, the Virgin Islands,  
21          Guam, the Northern Mariana Islands, or American  
22          Samoa qualify for an increase in the Federal medical  
23          assistance percentage under subsection (b)(5) for a  
24          fiscal year, the additional Federal financial partici-  
25          pation under this title that results from such in-

1       crease shall not be counted towards the limitation on  
 2       total payments under this title for such common-  
 3       wealth or territory otherwise determined under sub-  
 4       sections (f) and (g) of section 1108.

5               “(4) SCOPE OF APPLICATION.—The increase in  
 6       the Federal medical assistance percentage under  
 7       subsection (b)(5) shall only apply for purposes of  
 8       payments under section 1903 with respect to med-  
 9       ical assistance provided to individuals who have not  
 10      attained age 19 and shall not apply with respect  
 11      to—

12                   “(A) disproportionate share hospital pay-  
 13                   ments described in section 1923;

14                   “(B) payments under title IV or XXI; or

15                   “(C) any payments under this title that  
 16                   are based on the enhanced FMAP described in  
 17                   section 2105(b).”.

18   **SEC. 305. ELIMINATION OF COUNTING MEDICAID CHILD**  
 19                   **PRESUMPTIVE ELIGIBILITY COSTS AGAINST**  
 20                   **TITLE XXI ALLOTMENT.**

21       Section 2105(a)(1) (42 U.S.C. 1397ee(a)(1)) is  
 22      amended—

23                   (1) in the matter preceding subparagraph (A),  
 24                   by striking “(or, in the case of expenditures de-  
 25                   scribed in subparagraph (B), the Federal medical

1 assistance percentage (as defined in the first sen-  
 2 tence of section 1905(b)))”; and

3 (2) by striking subparagraph (B) and inserting  
 4 the following new subparagraph:

5 “(B) [reserved]”.

6 **SEC. 306. STATE OPTION TO REQUIRE CERTAIN INDIVID-**  
 7 **UALS TO PRESENT SATISFACTORY DOCUMEN-**  
 8 **TARY EVIDENCE OF PROOF OF CITIZENSHIP**  
 9 **OR NATIONALITY FOR PURPOSES OF ELIGI-**  
 10 **BILITY FOR MEDICAID.**

11 (a) IN GENERAL.—Section 1902(a)(46) (42 U.S.C.  
 12 1396a(a)(46)) is amended—

13 (1) by inserting “(A)” after “(46)”;

14 (2) by adding “and” after the semicolon; and

15 (3) by adding at the end the following new sub-  
 16 paragraph:

17 “(B) at the option of the State and subject to  
 18 section 1903(x), require that, with respect to an in-  
 19 dividual (other than an individual described in sec-  
 20 tion 1903(x)(1)) who declares to be a citizen or na-  
 21 tional of the United States for purposes of estab-  
 22 lishing initial eligibility for medical assistance under  
 23 this title (or, at State option, for purposes of renew-  
 24 ing or redetermining such eligibility to the extent  
 25 that such satisfactory documentary evidence of citi-

1 zenship or nationality has not yet been presented),  
2 there is presented satisfactory documentary evidence  
3 of citizenship or nationality of the individual (using  
4 criteria determined by the State, which shall be no  
5 more restrictive than the criteria used by the Social  
6 Security Administration to determine citizenship,  
7 and which shall accept as such evidence a document  
8 issued by a federally recognized Indian tribe evidenc-  
9 ing membership or enrollment in, or affiliation with,  
10 such tribe (such as a tribal enrollment card or cer-  
11 tificate of degree of Indian blood, and, with respect  
12 to those federally recognized Indian tribes located  
13 within States having an international border whose  
14 membership includes individuals who are not citizens  
15 of the United States, such other forms of docu-  
16 mentation (including tribal documentation, if appro-  
17 priate) that the Secretary, after consulting with such  
18 tribes, determines to be satisfactory documentary  
19 evidence of citizenship or nationality for purposes of  
20 satisfying the requirement of this subparagraph));”.

21 (b) LIMITATION ON WAIVER AUTHORITY.—Notwith-  
22 standing any provision of section 1115 of the Social Secu-  
23 rity Act (42 U.S.C. 1315), or any other provision of law,  
24 the Secretary may not waive the requirements of section

1 1902(a)(46)(B) of such Act (42 U.S.C. 1396a(a)(46)(B))  
2 with respect to a State.

3 (c) CONFORMING AMENDMENTS.—Section 1903 (42  
4 U.S.C. 1396b) is amended—

5 (1) in subsection (i)—

6 (A) in paragraph (20), by adding “or”  
7 after the semicolon;

8 (B) in paragraph (21), by striking “; or”  
9 and inserting a period; and

10 (C) by striking paragraph (22); and

11 (2) in subsection (x) (as amended by section  
12 405(c)(1)(A) of division B of the Tax Relief and  
13 Health Care Act of 2006 (Public Law 109–432))—

14 (A) by striking paragraphs (1) and (3);

15 (B) by redesignating paragraph (2) as  
16 paragraph (1);

17 (C) in paragraph (1), as so redesignated,  
18 by striking “paragraph (1)” and inserting “sec-  
19 tion 1902(a)(46)(B)”;

20 (D) by adding at the end the following new  
21 paragraph:

22 “(2) In the case of an individual declaring to be a  
23 citizen or national of the United States with respect to  
24 whom a State requires the presentation of satisfactory  
25 documentary evidence of citizenship or nationality under

1 section 1902(a)(46)(B), the individual shall be provided  
2 at least the reasonable opportunity to present satisfactory  
3 documentary evidence of citizenship or nationality under  
4 this subsection as is provided under clauses (i) and (ii)  
5 of section 1137(d)(4)(A) to an individual for the submittal  
6 to the State of evidence indicating a satisfactory immigra-  
7 tion status.”.

8 (d) CLARIFICATION OF RULES FOR CHILDREN BORN  
9 IN THE UNITED STATES TO MOTHERS ELIGIBLE FOR  
10 MEDICAID.—Section 1903(x) (42 U.S.C. 1396b(x)), as  
11 amended by subsection (c)(2), is amended—

12 (1) in paragraph (1)—

13 (A) in subparagraph (C), by striking “or”  
14 at the end;

15 (B) by redesignating subparagraph (D) as  
16 subparagraph (E); and

17 (C) by inserting after subparagraph (C)  
18 the following new subparagraph:

19 “(D) pursuant to the application of section  
20 1902(e)(4) (and, in the case of an individual who is  
21 eligible for medical assistance on such basis, the in-  
22 dividual shall be deemed to have provided satisfac-  
23 tory documentary evidence of citizenship or nation-  
24 ality and shall not be required to provide further  
25 documentary evidence on any date that occurs dur-

1       ing or after the period in which the individual is eli-  
2       gible for medical assistance on such basis); or”; and

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

5       “(3) Nothing in subparagraph (A) or (B) of section  
6 1902(a)(46), the preceding paragraphs of this subsection,  
7 or the Deficit Reduction Act of 2005, including section  
8 6036 of such Act, shall be construed as changing the re-  
9 quirement of section 1902(e)(4) that a child born in the  
10 United States to an alien mother for whom medical assist-  
11 ance for the delivery of such child is available as treatment  
12 of an emergency medical condition pursuant to subsection  
13 (v) shall be deemed eligible for medical assistance during  
14 the first year of such child’s life.”.

15       (e) EFFECTIVE DATE.—

16               (1) RETROACTIVE APPLICATION.—The amend-  
17       ments made by this section shall take effect as if in-  
18       cluded in the enactment of the Deficit Reduction Act  
19       of 2005 (Public Law 109–171; 120 Stat. 4).

20               (2) RESTORATION OF ELIGIBILITY.—In the  
21       case of an individual who, during the period that  
22       began on July 1, 2006, and ends on the date of en-  
23       actment of this Act, was determined to be ineligible  
24       for medical assistance under a State Medicaid pro-  
25       gram solely as a result of the application of sub-



1 sections (i)(22) and (x) of section 1903 of the Social  
 2 Security Act (as in effect during such period), but  
 3 who would have been determined eligible for such as-  
 4 sistance if such subsections, as amended by this sec-  
 5 tion, had applied to the individual, a State may  
 6 deem the individual to be eligible for such assistance  
 7 as of the date that the individual was determined to  
 8 be ineligible for such medical assistance on such  
 9 basis.

10 **TITLE IV—START HEALTHY,**  
 11 **STAY HEALTHY**

12 **SEC. 401. STATE OPTION TO EXPAND OR ADD COVERAGE**  
 13 **OF CERTAIN PREGNANT WOMEN UNDER MED-**  
 14 **ICAID AND CHIP.**

15 (a) **MEDICAID.**—

16 (1) **AUTHORITY TO EXPAND COVERAGE.**—Sec-  
 17 tion 1902(l)(2)(A)(i) (42 U.S.C. 1396a(l)(2)(A)(i))  
 18 is amended by inserting “(or such higher percentage  
 19 as the State may elect for purposes of expenditures  
 20 for medical assistance for pregnant women described  
 21 in section 1905(u)(4)(A))” after “185 percent”.

22 (2) **ENHANCED MATCHING FUNDS AVAILABLE**  
 23 **IF CERTAIN CONDITIONS MET.**—Section 1905 (42  
 24 U.S.C. 1396d) is amended—

1 (A) in the fourth sentence of subsection  
2 (b), by striking “or subsection (u)(3)” and in-  
3 serting “, (u)(3), or (u)(4)”; and

4 (B) in subsection (u)—

5 (i) by redesignating paragraph (4) as  
6 paragraph (5); and

7 (ii) by inserting after paragraph (3)  
8 the following new paragraph:

9 “(4) For purposes of the fourth sentence of sub-  
10 section (b) and section 2105(a), the expenditures de-  
11 scribed in this paragraph are the following:

12 “(A) CERTAIN PREGNANT WOMEN.—If the con-  
13 ditions described in subparagraph (B) are met, ex-  
14 penditures for medical assistance for pregnant  
15 women described in subsection (n) or in section  
16 1902(l)(1)(A) in a family the income of which ex-  
17 ceeds 185 percent of the poverty line, but does not  
18 exceed the income eligibility level established under  
19 title XXI for a targeted low-income child.

20 “(B) CONDITIONS.—The conditions described  
21 in this subparagraph are the following:

22 “(i) The State plans under this title and  
23 title XXI do not provide coverage for pregnant  
24 women described in subparagraph (A) with

1 higher family income without covering such  
2 pregnant women with a lower family income.

3 “(ii) The State does not apply an effective  
4 income level for pregnant women that is lower  
5 than the effective income level (expressed as a  
6 percent of the poverty line and considering ap-  
7 plicable income disregards) specified under the  
8 State plan under subsection (a)(10)(A)(i)(III)  
9 or (l)(2)(A) of section 1902, on the date of en-  
10 actment of this paragraph to be eligible for  
11 medical assistance as a pregnant woman.

12 “(C) DEFINITION OF POVERTY LINE.—In this  
13 subsection, the term ‘poverty line’ has the meaning  
14 given such term in section 2110(e)(5).”.

15 (3) PAYMENT FROM TITLE XXI ALLOTMENT  
16 FOR MEDICAID EXPANSION COSTS.—Section  
17 2105(a)(1) (42 U.S.C. 1397ee(a)(1)), as amended  
18 by section 305, is amended by striking subparagraph  
19 (B) and inserting the following new subparagraph:

20 “(B) for the portion of the payments made  
21 for expenditures described in section  
22 1905(u)(4)(A) that represents the additional  
23 amount paid for such expenditures as a result  
24 of the enhanced FMAP being substituted for

1 the Federal medical assistance percentage of  
2 such expenditures;”.

3 (b) CHIP.—

4 (1) COVERAGE.—Title XXI (42 U.S.C. 1397aa  
5 et seq.) is amended by adding at the end the fol-  
6 lowing new section:

7 **“SEC. 2111. OPTIONAL COVERAGE OF TARGETED LOW-IN-**  
8 **COME PREGNANT WOMEN.**

9 “(a) OPTIONAL COVERAGE.—Notwithstanding any  
10 other provision of this title, a State may provide for cov-  
11 erage, through an amendment to its State child health  
12 plan under section 2102, of pregnancy-related assistance  
13 for targeted low-income pregnant women in accordance  
14 with this section, but only if—

15 “(1) the State has established an income eligi-  
16 bility level for pregnant women under subsection  
17 (a)(10)(A)(i)(III) or (1)(2)(A) of section 1902 that is  
18 at least 185 percent of the income official poverty  
19 line; and

20 “(2) the State meets the conditions described in  
21 section 1905(u)(4)(B).

22 “(b) DEFINITIONS.—For purposes of this title:

23 “(1) PREGNANCY-RELATED ASSISTANCE.—The  
24 term ‘pregnancy-related assistance’ has the meaning  
25 given the term ‘child health assistance’ in section

1 2110(a) as if any reference to targeted low-income  
2 children were a reference to targeted low-income  
3 pregnant women.

4 “(2) TARGETED LOW-INCOME PREGNANT  
5 WOMAN.—The term ‘targeted low-income pregnant  
6 woman’ means a woman—

7 “(A) during pregnancy and through the  
8 end of the month in which the 60-day period  
9 (beginning on the last day of her pregnancy)  
10 ends;

11 “(B) whose family income exceeds the ef-  
12 fective income level (expressed as a percent of  
13 the poverty line and considering applicable in-  
14 come disregards) specified under subsection  
15 (a)(10)(A)(i)(III) or (l)(2)(A) of section 1902,  
16 on January 1, 2008, to be eligible for medical  
17 assistance as a pregnant woman under title  
18 XIX but does not exceed the income eligibility  
19 level established under the State child health  
20 plan under this title for a targeted low-income  
21 child; and

22 “(C) who satisfies the requirements of  
23 paragraphs (1)(A), (1)(C), (2), and (3) of sec-  
24 tion 2110(b) in the same manner as a child ap-

1           plying for child health assistance would have to  
2           satisfy such requirements.

3           “(c) REFERENCES TO TERMS AND SPECIAL  
4 RULES.—In the case of, and with respect to, a State pro-  
5 viding for coverage of pregnancy-related assistance to tar-  
6 geted low-income pregnant women under subsection (a),  
7 the following special rules apply:

8           “(1) Any reference in this title (other than in  
9           subsection (b)) to a targeted low-income child is  
10          deemed to include a reference to a targeted low-in-  
11          come pregnant woman.

12          “(2) Any such reference to child health assist-  
13          ance with respect to such women is deemed a ref-  
14          erence to pregnancy-related assistance.

15          “(3) Any such reference to a child is deemed a  
16          reference to a woman during pregnancy and the pe-  
17          riod described in subsection (b)(2)(A).

18          “(4) In applying section 2102(b)(3)(B), any  
19          reference to children found through screening to be  
20          eligible for medical assistance under the State Med-  
21          icaid plan under title XIX is deemed a reference to  
22          pregnant women.

23          “(5) There shall be no exclusion of benefits for  
24          services described in subsection (b)(1) based on any  
25          preexisting condition and no waiting period (includ-

1 ing any waiting period imposed to carry out section  
2 2102(b)(3)(C)) shall apply.

3 “(6) In applying section 2103(e)(3)(B) in the  
4 case of a pregnant woman provided coverage under  
5 this section, the limitation on total annual aggregate  
6 cost sharing shall be applied to such pregnant  
7 woman.

8 “(7) The reference in section 2107(e)(1)(F) to  
9 section 1920A (relating to presumptive eligibility for  
10 children) is deemed a reference to section 1920 (re-  
11 lating to presumptive eligibility for pregnant  
12 women).

13 “(d) AUTOMATIC ENROLLMENT FOR CHILDREN  
14 BORN TO WOMEN RECEIVING PREGNANCY-RELATED AS-  
15 SISTANCE.—If a child is born to a targeted low-income  
16 pregnant woman who was receiving pregnancy-related as-  
17 sistance under this section on the date of the child’s birth,  
18 the child shall be deemed to have applied for child health  
19 assistance under the State child health plan and to have  
20 been found eligible for such assistance under such plan  
21 or to have applied for medical assistance under title XIX  
22 and to have been found eligible for such assistance under  
23 such title, as appropriate, on the date of such birth and  
24 to remain eligible for such assistance until the child at-  
25 tains 1 year of age. During the period in which a child

1 is deemed under the preceding sentence to be eligible for  
2 child health or medical assistance, the child health or med-  
3 ical assistance eligibility identification number of the  
4 mother shall also serve as the identification number of the  
5 child, and all claims shall be submitted and paid under  
6 such number (unless the State issues a separate identifica-  
7 tion number for the child before such period expires).”.

8 (2) ADDITIONAL CONFORMING AMENDMENTS.—

9 (A) NO COST SHARING FOR PREGNANCY-  
10 RELATED BENEFITS.—Section 2103(e)(2) (42  
11 U.S.C. 1397cc(e)(2)) is amended—

12 (i) in the heading, by inserting “OR  
13 PREGNANCY-RELATED SERVICES” after  
14 “PREVENTIVE SERVICES”; and

15 (ii) by inserting before the period at  
16 the end the following: “or for pregnancy-  
17 related services”.

18 (B) NO WAITING PERIOD.—Section  
19 2102(b)(1)(B) (42 U.S.C. 1397bb(b)(1)(B)) is  
20 amended—

21 (i) in clause (i), by striking “, and” at  
22 the end and inserting a semicolon;

23 (ii) in clause (ii), by striking the pe-  
24 riod at the end and inserting “; and”; and



1 (iii) by adding at the end the fol-  
 2 lowing new clause:

3 “(iii) may not apply a waiting period  
 4 (including a waiting period to carry out  
 5 paragraph (3)(C)) in the case of a targeted  
 6 low-income pregnant woman.”.

7 (c) OTHER AMENDMENTS TO MEDICAID.—

8 (1) ELIGIBILITY OF A NEWBORN.—Section  
 9 1902(e)(4) (42 U.S.C. 1396a(e)(4)) is amended in  
 10 the first sentence by striking “so long as the child  
 11 is a member of the woman’s household and the  
 12 woman remains (or would remain if pregnant) eligi-  
 13 ble for such assistance”.

14 (2) APPLICATION OF QUALIFIED ENTITIES TO  
 15 PRESUMPTIVE ELIGIBILITY FOR PREGNANT WOMEN  
 16 UNDER MEDICAID.—Section 1920(b) (42 U.S.C.  
 17 1396r–1(b)) is amended by adding after paragraph  
 18 (2) the following new flush sentence:

19 “The term ‘qualified provider’ includes a qualified entity  
 20 as defined in section 1920A(b)(3).”.

21 **SEC. 402. COORDINATION WITH THE MATERNAL AND CHILD**  
 22 **HEALTH PROGRAM.**

23 (a) IN GENERAL.—Section 2102(b)(3) (42 U.S.C.  
 24 1397bb(b)(3)) is amended—

1           (1) in subparagraph (D), by striking “and” at  
2 the end;

3           (2) in subparagraph (E), by striking the period  
4 at the end and inserting “; and”; and

5           (3) by adding at the end the following new sub-  
6 paragraph:

7                   “(F) that operations and activities under  
8 this title are developed and implemented in con-  
9 sultation and coordination with the program op-  
10 erated by the State under title V in areas in-  
11 cluding outreach and enrollment, benefits and  
12 services, service delivery standards, public  
13 health and social service agency relationships,  
14 and quality assurance and data reporting.”.

15           (b) CONFORMING MEDICAID AMENDMENT.—Section  
16 1902(a)(11) (42 U.S.C. 1396a(a)(11)) is amended—

17           (1) by striking “and” before “(C)”;

18           (2) by inserting before the semicolon at the end  
19 the following: “, and (D) provide that operations and  
20 activities under this title are developed and imple-  
21 mented in consultation and coordination with the  
22 program operated by the State under title V in areas  
23 including outreach and enrollment, benefits and  
24 services, service delivery standards, public health

1 and social service agency relationships, and quality  
2 assurance and data reporting”.

3 **SEC. 403. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS**  
4 **UNDER MEDICAID AND CHIP.**

5 (a) MEDICAID PROGRAM.—Section 1903(v) (42  
6 U.S.C. 1396b(v)) is amended—

7 (1) in paragraph (1), by striking “paragraph  
8 (2)” and inserting “paragraphs (2) and (4)”; and

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

11 “(4)(A) A State may elect (in a plan amendment  
12 under this title) to provide medical assistance under this  
13 title, notwithstanding sections 401(a), 402(b), 403, and  
14 421 of the Personal Responsibility and Work Opportunity  
15 Reconciliation Act of 1996, for aliens who are lawfully re-  
16 siding in the United States (including battered aliens de-  
17 scribed in section 431(c) of such Act) and who are other-  
18 wise eligible for such assistance, within either or both of  
19 the following eligibility categories:

20 “(i) PREGNANT WOMEN.—Women during preg-  
21 nancy (and during the 60-day period beginning on  
22 the last day of the pregnancy).

23 “(ii) CHILDREN.—Individuals under 21 years of  
24 age, including optional targeted low-income children  
25 described in section 1905(u)(2)(B).

1           “(B) In the case of a State that has elected to provide  
2 medical assistance to a category of aliens under subpara-  
3 graph (A), no debt shall accrue under an affidavit of sup-  
4 port against any sponsor of such an alien on the basis  
5 of provision of assistance to such category and the cost  
6 of such assistance shall not be considered as an unreim-  
7 bursed cost.”.

8           (b) CHIP.—Section 2107(e)(1) (42 U.S.C.  
9 1397gg(e)(1)), as amended by sections 301(b) and  
10 302(b)(2), is amended by redesignating subparagraphs  
11 (D), (E), and (F) as subparagraphs (E), (F), and (G),  
12 respectively, and by inserting after subparagraph (B) the  
13 following new subparagraph:

14                       “(C) Section 1903(v)(4) (relating to op-  
15                       tional coverage of categories of lawfully residing  
16                       immigrant children), but only if the State has  
17                       elected to apply such section to the category of  
18                       children under title XIX.”.

19 **SEC. 404. IMPROVING BENCHMARK COVERAGE OPTIONS.**

20           (a) LIMITATION ON USE OF SECRETARY-APPROVED  
21 COVERAGE.—Section 2103(a)(4) (42 U.S.C.  
22 1397cc(a)(4)) is amended by striking the period at the end  
23 and inserting “, but only if such determination was made  
24 before March 1, 2007.”.

1 (b) STATE EMPLOYEE COVERAGE BENCHMARK.—  
2 Section 2103(b)(2) (42 U.S.C. 1397(b)(2)) is amended—

3 (1) by striking “A health benefits coverage  
4 plan” and inserting “The health benefits coverage  
5 plan”; and

6 (2) by inserting “and that has the largest en-  
7 rollment among such employees with dependent cov-  
8 erage in either of the previous 2 plan years” before  
9 the period.

10 **SEC. 405. REQUIRING COVERAGE OF DENTAL AND MENTAL**  
11 **HEALTH SERVICES.**

12 (a) REQUIRED COVERAGE OF DENTAL AND MENTAL  
13 HEALTH SERVICES.—Section 2103 (42 U.S.C. 1397cc(e))  
14 is amended—

15 (1) in subsection (a), in the matter preceding  
16 paragraph (1), by striking “subsection (c)(5)” and  
17 inserting “paragraphs (5) and (6) of subsection (c)”;  
18 and

19 (2) in subsection (c)—

20 (A) by redesignating paragraph (5) as  
21 paragraph (6); and

22 (B) by inserting after paragraph (4), the  
23 following new paragraph:

1           “(5) OTHER REQUIRED SERVICES.—The child  
2 health assistance provided to a targeted low-income  
3 child shall include coverage of the following:

4                   “(A) DENTAL SERVICES.—Dental services  
5 described in section 1905(r)(3) and provided in  
6 accordance with section 1902(a)(43).

7                   “(B) MENTAL HEALTH SERVICES.—Mental  
8 health services.”.

9           (b) STATE CHILD HEALTH PLAN REQUIREMENT.—  
10 Section 2102(a)(7)(B) (42 U.S.C. 1397bb(c)(2)) is  
11 amended by inserting “and services described in section  
12 2103(c)(5)” after “emergency services”

13           (c) CONFORMING AMENDMENTS.—Section  
14 2103(c)(2) (42 U.S.C. 1397cc(c)(2)) is amended—

15                   (1) by striking subparagraph (B); and

16                   (2) by redesignating subparagraphs (C) and  
17 (D) as subparagraphs (B) and (C), respectively.

18 **SEC. 406. CLARIFICATION OF REQUIREMENT TO PROVIDE**  
19 **EPSDT SERVICES FOR ALL CHILDREN IN**  
20 **BENCHMARK BENEFIT PACKAGES UNDER**  
21 **MEDICAID.**

22           (a) IN GENERAL.—Section 1937(a)(1), as inserted by  
23 section 6044(a) of the Deficit Reduction Act of 2005, is  
24 amended—

25                   (1) in subparagraph (A)—

1 (A) in the matter before clause (i), by  
2 striking “Notwithstanding any other provision  
3 of this title” and inserting “Subject to subpara-  
4 graph (E)”; and

5 (B) by striking “enrollment in coverage  
6 that provides” and all that follows and inserting  
7 “benchmark coverage described in subsection  
8 (b)(1) or benchmark equivalent coverage de-  
9 scribed in subsection (b)(2).”;

10 (2) by striking subparagraph (C) and inserting  
11 the following new subparagraph:

12 “(C) STATE OPTION TO PROVIDE ADDI-  
13 TIONAL BENEFITS.—A State, at its option, may  
14 provide such additional benefits to benchmark  
15 coverage described in subsection (b)(1) or  
16 benchmark equivalent coverage described in  
17 subsection (b)(2) as the State may specify.”;  
18 and

19 (3) by adding at the end the following new sub-  
20 paragraph:

21 “(E) REQUIRING COVERAGE OF EPSDT  
22 SERVICES.—Nothing in this paragraph shall be  
23 construed as affecting a child’s entitlement to  
24 care and services described in subsections  
25 (a)(4)(B) and (r) of section 1905 and provided

1 in accordance with section 1903(a)(43) whether  
2 provided through benchmark coverage, bench-  
3 mark equivalent coverage, or otherwise.”.

4 (b) EFFECTIVE DATE.—The amendments made by  
5 this subsection shall take effect as if included in the  
6 amendment made by section 6044(a) of the Deficit Reduc-  
7 tion Act of 2005.

8 **SEC. 407. CHILDHOOD OBESITY DEMONSTRATION**  
9 **PROJECT.**

10 (a) AUTHORITY TO CONDUCT DEMONSTRATION.—  
11 The Secretary, in consultation with the Administrator of  
12 the Centers for Medicare & Medicaid Services, shall con-  
13 duct a demonstration project to develop a comprehensive  
14 and systematic model for reducing childhood obesity by  
15 awarding grants to eligible entities to carry out such  
16 project. Such model shall—

17 (1) identify, through self-assessment, behavioral  
18 risk factors for obesity among children;

19 (2) identify, through self-assessment, needed  
20 clinical preventive and screening benefits among  
21 those children identified as target individuals on the  
22 basis of such risk factors;

23 (3) provide ongoing support to such target indi-  
24 viduals and their families to reduce risk factors and



1 promote the appropriate use of preventive and  
2 screening benefits; and

3 (4) be designed to improve health outcomes,  
4 satisfaction, quality of life, and appropriate use of  
5 items and services for which medical assistance is  
6 available under title XIX of the Social Security Act  
7 or child health assistance is available under title  
8 XXI of such Act among such target individuals.

9 (b) ELIGIBILITY ENTITIES.—For purposes of this  
10 section, an eligible entity is any of the following:

11 (1) A city, county, or Indian tribe.

12 (2) A local or tribal educational agency.

13 (3) An accredited university, college, or commu-  
14 nity college.

15 (4) A federally-qualified health center.

16 (5) A local health department.

17 (6) A health care provider.

18 (7) A community-based organization.

19 (8) Any other entity determined appropriate by  
20 the Secretary, including a consortia or partnership  
21 of entities described in any of paragraphs (1)  
22 through (7).

23 (c) USE OF FUNDS.—An eligible entity awarded a  
24 grant under this section shall use the funds made available  
25 under the grant to—

1           (1) carry out community-based activities related  
2 to reducing childhood obesity, including by—

3           (A) forming partnerships with entities, in-  
4 cluding schools and other facilities providing  
5 recreational services, to establish programs for  
6 after school and weekend community activities  
7 that are designed to reduce childhood obesity;

8           (B) forming partnerships with daycare fa-  
9 cilities to establish programs that promote  
10 healthy eating behaviors and physical activity;  
11 and

12           (C) developing and evaluating community  
13 educational activities targeting good nutrition  
14 and promoting healthy eating behaviors;

15           (2) carry out age-appropriate school-based ac-  
16 tivities that are designed to reduce childhood obesity,  
17 including by—

18           (A) developing and testing educational cur-  
19 ricula and intervention programs designed to  
20 promote healthy eating behaviors and habits in  
21 youth, which may include—

22           (i) after hours physical activity pro-  
23 grams; and

24           (ii) science-based interventions with  
25 multiple components to prevent eating dis-

1 orders including nutritional content, under-  
2 standing and responding to hunger and sa-  
3 tiety, positive body image development,  
4 positive self-esteem development, and  
5 learning life skills (such as stress manage-  
6 ment, communication skills, problem-solv-  
7 ing and decisionmaking skills), as well as  
8 consideration of cultural and develop-  
9 mental issues, and the role of family,  
10 school, and community;

11 (B) providing education and training to  
12 educational professionals regarding how to pro-  
13 mote a healthy lifestyle and a healthy school en-  
14 vironment for children;

15 (C) planning and implementing a healthy  
16 lifestyle curriculum or program with an empha-  
17 sis on healthy eating behaviors and physical ac-  
18 tivity; and

19 (D) planning and implementing healthy  
20 lifestyle classes or programs for parents or  
21 guardians, with an emphasis on healthy eating  
22 behaviors and physical activity for children;

23 (3) carry out activities through the local health  
24 care delivery systems including by—

1 (A) promoting healthy eating behaviors  
2 and physical activity services to treat or prevent  
3 eating disorders, being overweight, and obesity;

4 (B) providing patient education and coun-  
5 seling to increase physical activity and promote  
6 healthy eating behaviors;

7 (C) training health professionals on how to  
8 identify and treat obese and overweight individ-  
9 uals which may include nutrition and physical  
10 activity counseling; and

11 (D) providing community education by a  
12 health professional on good nutrition and phys-  
13 ical activity to develop a better understanding  
14 of the relationship between diet, physical activ-  
15 ity, and eating disorders, obesity, or being over-  
16 weight; and

17 (4) provide, through qualified health profes-  
18 sionals, training and supervision for community  
19 health workers to—

20 (A) educate families regarding the relation-  
21 ship between nutrition, eating habits, physical  
22 activity, and obesity;

23 (B) educate families about effective strate-  
24 gies to improve nutrition, establish healthy eat-

1           ing patterns, and establish appropriate levels of  
2           physical activity; and

3           (C) educate and guide parents regarding  
4           the ability to model and communicate positive  
5           health behaviors.

6           (d) PRIORITY.—In awarding grants under subsection  
7 (a), the Secretary shall give priority to awarding grants  
8 to eligible entities—

9           (1) that demonstrate that they have previously  
10          applied successfully for funds to carry out activities  
11          that seek to promote individual and community  
12          health and to prevent the incidence of chronic dis-  
13          ease and that can cite published and peer-reviewed  
14          research demonstrating that the activities that the  
15          entities propose to carry out with funds made avail-  
16          able under the grant are effective;

17          (2) that will carry out programs or activities  
18          that seek to accomplish a goal or goals set by the  
19          State in the Healthy People 2010 plan of the State;

20          (3) that provide non-Federal contributions, ei-  
21          ther in cash or in kind, to the costs of funding activi-  
22          ties under the grants;

23          (4) that develop comprehensive plans that in-  
24          clude a strategy for extending program activities de-  
25          veloped under grants in the years following the fiscal

1 years for which they receive grants under this sec-  
2 tion;

3 (5) located in communities that are medically  
4 underserved, as determined by the Secretary;

5 (6) located in areas in which the average pov-  
6 erty rate is at least 150 percent or higher of the av-  
7 erage poverty rate in the State involved, as deter-  
8 mined by the Secretary; and

9 (7) that submit plans that exhibit multisectoral,  
10 cooperative conduct that includes the involvement of  
11 a broad range of stakeholders, including—

12 (A) community-based organizations;

13 (B) local governments;

14 (C) local educational agencies;

15 (D) the private sector;

16 (E) State or local departments of health;

17 (F) accredited colleges, universities, and  
18 community colleges;

19 (G) health care providers;

20 (H) State and local departments of trans-  
21 portation and city planning; and

22 (I) other entities determined appropriate  
23 by the Secretary.

24 (e) PROGRAM DESIGN.—

1           (1) INITIAL DESIGN.—Not later than 1 year  
2 after the date of enactment of this Act, the Sec-  
3 retary shall design the demonstration project. The  
4 demonstration should draw upon promising, innova-  
5 tive models and incentives to reduce behavioral risk  
6 factors. The Administrator of the Centers for Medi-  
7 care & Medicaid Services shall consult with the Di-  
8 rector of the Centers for Disease Control and Pre-  
9 vention, the Director of the Office of Minority  
10 Health, the heads of other agencies in the Depart-  
11 ment of Health and Human Services, and such pro-  
12 fessional organizations, as the Secretary determines  
13 to be appropriate, on the design, conduct, and eval-  
14 uation of the demonstration.

15           (2) NUMBER AND PROJECT AREAS.—Not later  
16 than 2 years after the date of enactment of this Act,  
17 the Secretary shall award 1 grant that is specifically  
18 designed to determine whether programs similar to  
19 programs to be conducted by other grantees under  
20 this section should be implemented with respect to  
21 the general population of children who are eligible  
22 for child health assistance under State child health  
23 plans under title XXI of the Social Security Act in  
24 order to reduce the incidence of childhood obesity  
25 among such population.

1 (f) REPORT TO CONGRESS.—Not later than 3 years  
2 after the date the Secretary implements the demonstration  
3 project under this section, the Secretary shall submit to  
4 Congress a report that describes the project, evaluates the  
5 effectiveness and cost effectiveness of the project, evalu-  
6 ates the beneficiary satisfaction under the project, and in-  
7 cludes any such other information as the Secretary deter-  
8 mines to be appropriate.

9 (g) DEFINITIONS.—In this section:

10 (1) FEDERALLY-QUALIFIED HEALTH CEN-  
11 TER.—The term “Federally-qualified health center”  
12 has the meaning given that term in section  
13 1905(l)(2)(B) of the Social Security Act (42 U.S.C.  
14 1396d(l)(2)(B)).

15 (2) INDIAN TRIBE.—The term “Indian tribe”  
16 has the meaning given that term in section 4 of the  
17 Indian Health Care Improvement Act (25 U.S.C.  
18 1603).

19 (3) SELF-ASSESSMENT.—The term “self-assess-  
20 ment” means a form that—

21 (A) includes questions regarding—

22 (i) behavioral risk factors;

23 (ii) needed preventive and screening  
24 services; and



1 (iii) target individuals' preferences for  
2 receiving follow-up information;

3 (B) is assessed using such computer gen-  
4 erated assessment programs; and

5 (C) allows for the provision of such ongo-  
6 ing support to the individual as the Secretary  
7 determines appropriate.

8 (4) ONGOING SUPPORT.—The term “ongoing  
9 support” means—

10 (A) to provide any target individual with  
11 information, feedback, health coaching, and rec-  
12 ommendations regarding—

13 (i) the results of a self-assessment  
14 given to the individual;

15 (ii) behavior modification based on the  
16 self-assessment; and

17 (iii) any need for clinical preventive  
18 and screening services or treatment includ-  
19 ing medical nutrition therapy;

20 (B) to provide any target individual with  
21 referrals to community resources and programs  
22 available to assist the target individual in re-  
23 ducing health risks; and

24 (C) to provide the information described in  
25 subparagraph (A) to a health care provider, if

1 designated by the target individual to receive  
2 such information.

3 (h) AUTHORIZATION OF APPROPRIATIONS.—There is  
4 authorized to be appropriated to carry out this section,  
5 \$25,000,000 for each of fiscal years 2008 through 2012.

6 **TITLE V—IMPROVING ACCESS**  
7 **TO HEALTH CARE FOR CHIL-**  
8 **DREN**

9 **SEC. 501. PROMOTING CHILDREN’S ACCESS TO COVERED**  
10 **HEALTH SERVICES.**

11 (a) MEDICAID AND CHIP PAYMENT AND ACCESS  
12 COMMISSION.—Title XIX (42 U.S.C. 1396 et seq.) is  
13 amended by inserting before section 1901 the following  
14 new section:

15 “MEDICAID AND CHIP PAYMENT AND ACCESS  
16 COMMISSION

17 “SEC. 1900. (a) ESTABLISHMENT.—There is hereby  
18 established the Medicaid and CHIP Payment and Access  
19 Commission (in this section referred to as ‘MACPAC’).

20 “(b) DUTIES.—

21 “(1) REVIEW OF ACCESS POLICIES AND AN-  
22 NUAL REPORTS.—MACPAC shall—

23 “(A) review policies of the Medicaid pro-  
24 gram established under this title (in this section  
25 referred to as ‘Medicaid’) and the State Chil-  
26 dren’s Health Insurance Program established

1 under title XXI (in this section referred to as  
2 ‘CHIP’) affecting children’s access to covered  
3 items and services, including topics described in  
4 paragraph (2);

5 “(B) make recommendations to Congress  
6 concerning such access policies;

7 “(C) by not later than March 1 of each  
8 year (beginning with 2009), submit a report to  
9 Congress containing the results of such reviews  
10 and MACPAC’s recommendations concerning  
11 such policies; and

12 “(D) by not later than June 1 of each year  
13 (beginning with 2009), submit a report to Con-  
14 gress containing an examination of issues af-  
15 fecting Medicaid and CHIP, including the im-  
16 plications of changes in health care delivery in  
17 the United States and in the market for health  
18 care services on such programs.

19 “(2) SPECIFIC TOPICS TO BE REVIEWED.—Spe-  
20 cifically, MACPAC shall review and assess the fol-  
21 lowing:

22 “(A) MEDICAID AND CHIP PAYMENT POLI-  
23 CIES.—Payment policies under Medicaid and  
24 CHIP, including—

1           “(i) the factors affecting expenditures  
2           for items and services in different sectors,  
3           including the process for updating hospital,  
4           skilled nursing facility, physician, Feder-  
5           ally-qualified health center, rural health  
6           center, and other fees;

7           “(ii) payment methodologies; and

8           “(iii) the relationship of such factors  
9           and methodologies to access and quality of  
10          care for Medicaid and CHIP beneficiaries.

11          “(B) INTERACTION OF MEDICAID AND  
12          CHIP PAYMENT POLICIES WITH HEALTH CARE  
13          DELIVERY GENERALLY.—The effect of Medicaid  
14          and CHIP payment policies on access to items  
15          and services for children and other Medicaid  
16          and CHIP populations other than under this  
17          title or title XXI and the implications of  
18          changes in health care delivery in the United  
19          States and in the general market for health  
20          care items and services on Medicaid and CHIP.

21          “(C) OTHER ACCESS POLICIES.—The ef-  
22          fect of other Medicaid and CHIP policies on ac-  
23          cess to covered items and services, including  
24          policies relating to transportation and language  
25          barriers.

1           “(3) CREATION OF EARLY-WARNING SYSTEM.—  
2           MACPAC shall create an early-warning system to  
3           identify provider shortage areas or any other prob-  
4           lems that threaten access to care or the health care  
5           status of Medicaid and CHIP beneficiaries.

6           “(4) COMMENTS ON CERTAIN SECRETARIAL RE-  
7           PORTS.—If the Secretary submits to Congress (or a  
8           committee of Congress) a report that is required by  
9           law and that relates to access policies, including with  
10          respect to payment policies, under Medicaid or  
11          CHIP, the Secretary shall transmit a copy of the re-  
12          port to MACPAC. MACPAC shall review the report  
13          and, not later than 6 months after the date of sub-  
14          mittal of the Secretary’s report to Congress, shall  
15          submit to the appropriate committees of Congress  
16          written comments on such report. Such comments  
17          may include such recommendations as MACPAC  
18          deems appropriate.

19          “(5) AGENDA AND ADDITIONAL REVIEWS.—  
20          MACPAC shall consult periodically with the chair-  
21          men and ranking minority members of the appro-  
22          priate committees of Congress regarding MACPAC’s  
23          agenda and progress towards achieving the agenda.  
24          MACPAC may conduct additional reviews, and sub-  
25          mit additional reports to the appropriate committees

1 of Congress, from time to time on such topics relat-  
2 ing to the program under this title or title XXI as  
3 may be requested by such chairmen and members  
4 and as MACPAC deems appropriate.

5 “(6) AVAILABILITY OF REPORTS.—MACPAC  
6 shall transmit to the Secretary a copy of each report  
7 submitted under this subsection and shall make such  
8 reports available to the public.

9 “(7) APPROPRIATE COMMITTEE OF CON-  
10 GRESS.—For purposes of this section, the term ‘ap-  
11 propriate committees of Congress’ means the Com-  
12 mittee on Energy and Commerce of the House of  
13 Representatives and the Committee on Finance of  
14 the Senate.

15 “(8) VOTING AND REPORTING REQUIRE-  
16 MENTS.—With respect to each recommendation con-  
17 tained in a report submitted under paragraph (1),  
18 each member of MACPAC shall vote on the rec-  
19 ommendation, and MACPAC shall include, by mem-  
20 ber, the results of that vote in the report containing  
21 the recommendation.

22 “(9) EXAMINATION OF BUDGET CON-  
23 SEQUENCES.—Before making any recommendations,  
24 MACPAC shall examine the budget consequences of

1 such recommendations, directly or through consulta-  
2 tion with appropriate expert entities.

3 “(c) MEMBERSHIP.—

4 “(1) NUMBER AND APPOINTMENT.—MACPAC  
5 shall be composed of 17 members appointed by the  
6 Comptroller General of the United States.

7 “(2) QUALIFICATIONS.—

8 “(A) IN GENERAL.—The membership of  
9 MACPAC shall include individuals who have  
10 had direct experience as enrollees or parents of  
11 enrollees in Medicaid or CHIP and individuals  
12 with national recognition for their expertise in  
13 Federal safety net health programs, health fi-  
14 nance and economics, actuarial science, health  
15 facility management, health plans and inte-  
16 grated delivery systems, reimbursement of  
17 health facilities, health information technology,  
18 pediatric physicians, dentists, and other pro-  
19 viders of health services, and other related  
20 fields, who provide a mix of different profes-  
21 sionals, broad geographic representation, and a  
22 balance between urban and rural representa-  
23 tives.

24 “(B) INCLUSION.—The membership of  
25 MACPAC shall include (but not be limited to)

1 physicians and other health professionals, em-  
2 ployers, third-party payers, and individuals with  
3 expertise in the delivery of health services. Such  
4 membership shall also include consumers rep-  
5 resenting children, pregnant women, the elderly,  
6 and individuals with disabilities, current or  
7 former representatives of State agencies respon-  
8 sible for administering Medicaid, and current or  
9 former representatives of State agencies respon-  
10 sible for administering CHIP.

11 “(C) MAJORITY NONPROVIDERS.—Individ-  
12 uals who are directly involved in the provision,  
13 or management of the delivery, of items and  
14 services covered under Medicaid or CHIP shall  
15 not constitute a majority of the membership of  
16 MACPAC.

17 “(D) ETHICAL DISCLOSURE.—The Comp-  
18 troller General of the United States shall estab-  
19 lish a system for public disclosure by members  
20 of MACPAC of financial and other potential  
21 conflicts of interest relating to such members.  
22 Members of MACPAC shall be treated as em-  
23 ployees of Congress for purposes of applying  
24 title I of the Ethics in Government Act of 1978  
25 (Public Law 95–521).



1           “(3) TERMS.—

2                   “(A) IN GENERAL.—The terms of mem-  
3           bers of MACPAC shall be for 3 years except  
4           that the Comptroller General of the United  
5           States shall designate staggered terms for the  
6           members first appointed.

7                   “(B) VACANCIES.—Any member appointed  
8           to fill a vacancy occurring before the expiration  
9           of the term for which the member’s predecessor  
10          was appointed shall be appointed only for the  
11          remainder of that term. A member may serve  
12          after the expiration of that member’s term until  
13          a successor has taken office. A vacancy in  
14          MACPAC shall be filled in the manner in which  
15          the original appointment was made.

16                  “(4) COMPENSATION.—While serving on the  
17          business of MACPAC (including travel time), a  
18          member of MACPAC shall be entitled to compensa-  
19          tion at the per diem equivalent of the rate provided  
20          for level IV of the Executive Schedule under section  
21          5315 of title 5, United States Code; and while so  
22          serving away from home and the member’s regular  
23          place of business, a member may be allowed travel  
24          expenses, as authorized by the Chairman of  
25          MACPAC. Physicians serving as personnel of

1       MACPAC may be provided a physician comparability  
2       allowance by MACPAC in the same manner as Gov-  
3       ernment physicians may be provided such an allow-  
4       ance by an agency under section 5948 of title 5,  
5       United States Code, and for such purpose subsection  
6       (i) of such section shall apply to MACPAC in the  
7       same manner as it applies to the Tennessee Valley  
8       Authority. For purposes of pay (other than pay of  
9       members of MACPAC) and employment benefits,  
10      rights, and privileges, all personnel of MACPAC  
11      shall be treated as if they were employees of the  
12      United States Senate.

13           “(5) CHAIRMAN; VICE CHAIRMAN.—The Comp-  
14      troller General of the United States shall designate  
15      a member of MACPAC, at the time of appointment  
16      of the member as Chairman and a member as Vice  
17      Chairman for that term of appointment, except that  
18      in the case of vacancy of the Chairmanship or Vice  
19      Chairmanship, the Comptroller General of the  
20      United States may designate another member for  
21      the remainder of that member’s term.

22           “(6) MEETINGS.—MACPAC shall meet at the  
23      call of the Chairman.

24           “(d) DIRECTOR AND STAFF; EXPERTS AND CON-  
25      SULTANTS.—Subject to such review as the Comptroller

1 General of the United States deems necessary to assure  
2 the efficient administration of MACPAC, MACPAC  
3 may—

4           “(1) employ and fix the compensation of an Ex-  
5           ecutive Director (subject to the approval of the  
6           Comptroller General of the United States) and such  
7           other personnel as may be necessary to carry out its  
8           duties (without regard to the provisions of title 5,  
9           United States Code, governing appointments in the  
10          competitive service);

11          “(2) seek such assistance and support as may  
12          be required in the performance of its duties from ap-  
13          propriate Federal departments and agencies;

14          “(3) enter into contracts or make other ar-  
15          rangements, as may be necessary for the conduct of  
16          the work of MACPAC (without regard to section  
17          3709 of the Revised Statutes (41 U.S.C. 5));

18          “(4) make advance, progress, and other pay-  
19          ments which relate to the work of MACPAC;

20          “(5) provide transportation and subsistence for  
21          persons serving without compensation; and

22          “(6) prescribe such rules and regulations as it  
23          deems necessary with respect to the internal organi-  
24          zation and operation of MACPAC.

25          “(e) POWERS.—

1           “(1) OBTAINING OFFICIAL DATA.—MACPAC  
2           may secure directly from any department or agency  
3           of the United States information necessary to enable  
4           it to carry out this section. Upon request of the  
5           Chairman, the head of that department or agency  
6           shall furnish that information to MACPAC on an  
7           agreed upon schedule.

8           “(2) DATA COLLECTION.—In order to carry out  
9           its functions, MACPAC shall—

10                   “(A) utilize existing information, both pub-  
11                   lished and unpublished, where possible, collected  
12                   and assessed either by its own staff or under  
13                   other arrangements made in accordance with  
14                   this section;

15                   “(B) carry out, or award grants or con-  
16                   tracts for, original research and experimen-  
17                   tation, where existing information is inad-  
18                   equate; and

19                   “(C) adopt procedures allowing any inter-  
20                   ested party to submit information for  
21                   MACPAC’s use in making reports and rec-  
22                   ommendations.

23           “(3) ACCESS OF GAO TO INFORMATION.—The  
24           Comptroller General of the United States shall have  
25           unrestricted access to all deliberations, records, and

1 nonproprietary data of MACPAC, immediately upon  
2 request.

3 “(4) PERIODIC AUDIT.—MACPAC shall be sub-  
4 ject to periodic audit by the Comptroller General of  
5 the United States.

6 “(f) AUTHORIZATION OF APPROPRIATIONS.—

7 “(1) REQUEST FOR APPROPRIATIONS.—  
8 MACPAC shall submit requests for appropriations  
9 in the same manner as the Comptroller General of  
10 the United States submits requests for appropria-  
11 tions, but amounts appropriated for MACPAC shall  
12 be separate from amounts appropriated for the  
13 Comptroller General of the United States.

14 “(2) AUTHORIZATION.—There are authorized to  
15 be appropriated such sums as may be necessary to  
16 carry out the provisions of this section.”.

17 (b) DEADLINE FOR INITIAL APPOINTMENTS.—Not  
18 later than January 1, 2008, the Comptroller General of  
19 the United States shall appoint the initial members of the  
20 Medicaid and CHIP Payment and Access Commission es-  
21 tablished under section 1900 of the Social Security Act  
22 (as added by subsection (a)).

23 **SEC. 502. INSTITUTE OF MEDICINE STUDY AND REPORT ON**  
24 **CHILDREN’S ACCESS TO HEALTH CARE.**

25 (a) STUDY.—

1           (1) IN GENERAL.—The Secretary shall enter  
2 into a contract with the Institute of Medicine of the  
3 National Academy of Sciences (in this section re-  
4 ferred to as the “Institute”), to update the data and  
5 analyses of the June 1998 report of the Institute en-  
6 titled, “America’s Children: Health Insurance and  
7 Access to Care”. Specifically, the Institute shall—

8                   (A) examine the extent of health insurance  
9 coverage for children in the United States; and

10                   (B) analyze the extent to which there is  
11 evidence of the relationship between health in-  
12 surance coverage and children’s access to health  
13 care.

14           (2) REQUIREMENT.—In carrying out the study  
15 required under paragraph (1), the Institute shall  
16 focus on a broad range of providers that offer health  
17 care services to children, including (but not limited  
18 to) providers of oral health care services and mental  
19 health care services.

20           (3) SUPPORT.—The Secretary shall provide to  
21 the Institute any relevant data available to the Sec-  
22 retary during the period in which the study required  
23 under paragraph (1) is conducted.

24           (b) REPORT.—Not later than 18 months after the  
25 date of enactment of this Act, the Secretary and the Insti-

1 tute shall submit a report to Congress on the results of  
2 the study conducted under subsection (a).

3 (c) APPROPRIATIONS.—Out of any funds in the  
4 Treasury not otherwise appropriated, there is appro-  
5 priated for fiscal year 2008 such sums as may be nec-  
6 essary for the purpose of carrying out this section, not  
7 to exceed \$1,000,000. Funds appropriated under this sub-  
8 section shall remain available until expended.

9 **TITLE VI—STRENGTHENING**  
10 **QUALITY OF CARE AND**  
11 **HEALTH OUTCOMES OF CHIL-**  
12 **DREN**

13 **SEC. 601. STRENGTHENING CHILD HEALTH QUALITY IM-**  
14 **PROVEMENT ACTIVITIES.**

15 (a) UPDATING AND ENHANCEMENT OF QUALITY OF  
16 CARE MEASURES FOR CHILDREN.—

17 (1) IN GENERAL.—Not later than January 1,  
18 2009, the Secretary shall do the following:

19 (A) UPDATE AND ENHANCE QUALITY  
20 MEASURES.—In consultation with States, pro-  
21 viders, and child health experts, update and en-  
22 hance the HEDIS measures and other meas-  
23 ures that the Secretary recommends States use  
24 to annually report on the quality of health care  
25 for children enrolled in Medicaid or CHIP to in-

1           clude additional and more comprehensive infor-  
2           mation with respect to health care delivered to  
3           children in both ambulatory and inpatient care  
4           settings, that can be used to develop national  
5           quality measures and perform comparative  
6           analyses.

7           (B) ENCOURAGE VOLUNTARY REPORT-  
8           ING.—In consultation with States, develop pro-  
9           cedures to encourage States to voluntarily re-  
10          port the same set of measures with respect to  
11          the quality of health care for children under  
12          Medicaid and CHIP.

13          (C) ADOPTION OF BEST PRACTICES.—De-  
14          velop programs to identify best practices with  
15          respect to the quality of health care for children  
16          and facilitate the adoption of such best prac-  
17          tices, including in areas such as provider re-  
18          porting compliance, successful quality improve-  
19          ment strategies, and improved efficiency in data  
20          collection using health information technology.

21          (D) TECHNICAL ASSISTANCE.—Provide  
22          technical assistance to States to help them com-  
23          ply with the measures updated in accordance  
24          with subparagraph (A) and adopt the best prac-



1 tices identified in accordance with subparagraph  
2 (C).

3 (b) DISSEMINATION OF HEALTH QUALITY INFORMA-  
4 TION.—

5 (1) STATE-SPECIFIC REPORT ON CHILD  
6 HEALTH QUALITY MEASURES.—Not later than Janu-  
7 ary 1, 2008, and annually thereafter, the Secretary  
8 shall collect, analyze, and make publicly available  
9 State-specific data on child health quality measures,  
10 including State-specific data collected on external  
11 quality review activities related to managed care or-  
12 ganizations under Medicaid and CHIP.

13 (2) REPORTS TO CONGRESS.—Not later than  
14 January 1, 2008, and every 3 years thereafter, the  
15 Secretary shall report to Congress on—

16 (A) the status of the Secretary's efforts to  
17 improve—

18 (i) children's health care, including  
19 children's needs with respect to preventive,  
20 acute, and chronic health care; and

21 (ii) all domains of quality, including  
22 safety, family experience of care, and elimi-  
23 nation of disparities; and

24 (B) the quality of care furnished to amelio-  
25 rate at least 1 type of physical, mental, or de-

1           developmental condition recognized as having an  
2           effect on growth and development in children  
3           and adolescents.

4           (c) DEVELOPMENT, ENDORSEMENT, AND UPDATING  
5 OF CHILD-SPECIFIC HEALTH QUALITY MEASURES.—

6           (1) IN GENERAL.—Not later than January 1,  
7           2009, the Secretary shall establish a program to  
8           support the development of quality measures for  
9           children’s health care services.

10           (2) AUTHORITY TO AWARD GRANTS AND CON-  
11 TRACTS.—As part of such program, the Secretary  
12 shall award grants and contracts for the—

13           (A) development of new child health qual-  
14           ity measures to supplement or replace, as ap-  
15           propriate, the HEDIS measures updated and  
16           enhanced in accordance with subsection  
17           (a)(1)(A);

18           (B) advancement (through validation and  
19           consensus among the entities described in para-  
20           graph (3)) of such new measures and of child  
21           health quality measures used as of the date of  
22           enactment of this Act; and

23           (C) updating of such measures as nec-  
24           essary.

1           (3) CONSULTATION REQUIRED.—In carrying  
2           out the program required under this subsection, the  
3           Secretary shall consult with the following:

4                   (A) ESTABLISHMENT OF AREAS OF NEED  
5                   AND PRIORITIES.—For purposes of identifying  
6                   gaps in child health quality measures used as of  
7                   the date of enactment of this Act and estab-  
8                   lishing priorities for development:

9                           (i) States.

10                           (ii) National pediatric organizations.

11                           (iii) Consumers.

12                           (iv) Other entities with expertise in  
13                   pediatric quality measures, such as quality  
14                   improvement organizations.

15                   (B) ESTABLISHMENT OF PORTFOLIO OF  
16                   MEASURES.—For purposes of developing a port-  
17                   folio of child health quality measures for use by  
18                   States, other purchasers, and providers, an or-  
19                   ganization involved in the advancement of con-  
20                   sensus on evidence-based measures of health  
21                   care, such as the National Quality Forum.

22                   (C) ESTABLISHMENT OF MEDICAID AND  
23                   CHIP CORE PEDIATRIC QUALITY MEASURES.—  
24                   For purposes of identifying a core pediatric  
25                   data set that includes specific quality measures

1 for Medicaid and CHIP, States, health care  
2 providers, consumers, purchasers, child health  
3 experts, and public and private organizations  
4 with experience and expertise in the outreach  
5 and enrollment of children in public and private  
6 health insurance programs.

7 (4) SPECIFIC REQUIREMENTS FOR MEDICAID  
8 AND CHIP PEDIATRIC QUALITY MEASURES.—

9 (A) CORE PEDIATRIC DATA SET.—The core  
10 pediatric data set identified under paragraph  
11 (3)(C) shall include specific quality measures  
12 for Medicaid and CHIP, including with respect  
13 to at least the following:

14 (i) State-specific quality measures for  
15 Medicaid and CHIP (including State-spe-  
16 cific data on enrollment and retention of  
17 eligible children; coordination of Medicaid  
18 and CHIP children's coverage; measures of  
19 children's access to preventive, acute and  
20 chronic care, including the availability of  
21 providers and adequacy of provider pay-  
22 ments relative to private coverage).

23 (ii) Quality measures and data for  
24 health plans and providers at the State,  
25 plan, and provider levels of care.

1 (B) QUALITY MEASURES.—In identifying  
2 quality measures for Medicaid and CHIP, the  
3 Secretary shall—

4 (i) identify measures specific to man-  
5 aged care plans and providers of primary  
6 care case management services;

7 (ii) build on the core set of quality  
8 measures reported by States as of the date  
9 of enactment of this Act, including the  
10 HEDIS measures and evidence-based  
11 measures (to the extent such measures are  
12 available);

13 (iii) assure that the measures identi-  
14 fied are selected from measures that have  
15 been approved through an independent  
16 process that includes a broad consensus  
17 determined by a voluntary, standard set-  
18 ting organization, with broad participation  
19 by providers, patient advocates, health  
20 plans, and purchasers;

21 (iv) assure that the measures place an  
22 emphasis on physical and mental condi-  
23 tions for which amelioration is necessary to  
24 promote growth and development;

1 (v) assure that the measures are evi-  
2 dence-based and risk adjusted;

3 (vi) assure that the measures are de-  
4 signed to identify and eliminate racial and  
5 ethnic disparities in the provision of care;

6 (vii) assure that the data required for  
7 such measures is collected and reported in  
8 a standard format that permits comparison  
9 of quality and data at a State, plan, and  
10 provider level; and

11 (viii) periodically update such meas-  
12 ures.

13 (d) DEMONSTRATION PROJECTS FOR IMPROVING  
14 THE QUALITY OF CHILDREN'S HEALTH CARE AND THE  
15 USE OF HEALTH INFORMATION TECHNOLOGY.—

16 (1) IN GENERAL.—The Secretary shall award  
17 grants to States and child health providers to con-  
18 duct demonstration projects to evaluate promising  
19 ideas for improving the quality of children's health  
20 care, including projects to—

21 (A) experiment with, and evaluate the use  
22 of, new measures of the quality of children's  
23 health care (including testing the validity and  
24 suitability for reporting of such measures);

1 (B) promote the use of health information  
2 technology in care delivery for children; or

3 (C) evaluate value-based purchasing of  
4 health care services for children.

5 (2) AUTHORITY FOR MULTI-STATE  
6 PROJECTS.—A demonstration project conducted with  
7 a grant awarded under this subsection may be con-  
8 ducted on a multi-State basis, as needed.

9 (e) INCREASED MATCHING RATE FOR COLLECTING  
10 AND REPORTING ON CHILD HEALTH MEASURES.—Sec-  
11 tion 1903(a)(3)(A) (42 U.S.C. 1396b(a)(3)(A)), as  
12 amended by section 302, is amended—

13 (1) by striking “and” at the end of clause (ii);  
14 and

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

17 “(iv) an amount equal to 75 percent of so  
18 much of the sums expended during such quar-  
19 ter (as found necessary by the Secretary for the  
20 proper and efficient administration of the State  
21 plan) as are attributable to such developments  
22 or modifications of systems of the type de-  
23 scribed in clause (i) as are necessary for the ef-  
24 ficient collection and reporting on child health  
25 measures; and”.

1 (f) DEVELOPMENT OF MODEL ELECTRONIC HEALTH  
2 RECORD FOR CHILDREN.—Not later than January 1,  
3 2009, the Secretary shall establish a program to encour-  
4 age the development and dissemination of a model elec-  
5 tronic health record for children. Such model electronic  
6 health record should be—

7 (1) subject to State laws, accessible to parents  
8 and other consumers for the sole purpose of dem-  
9 onstrating compliance with school or leisure activity  
10 requirements, such as appropriate immunizations or  
11 physicals; and

12 (2) designed to allow interoperable exchanges  
13 that conform with Federal and State privacy and se-  
14 curity requirements.

15 (g) DEFINITION OF HEDIS MEASURES.—In this sec-  
16 tion, the term “HEDIS measures” means the Health Plan  
17 Employer Data and Information Set (HEDIS) measures  
18 established by the National Committee for Quality Assur-  
19 ance (NCQA).

20 (h) APPROPRIATIONS.—Out of any funds in the  
21 Treasury not otherwise appropriated, there is appro-  
22 priated for each of fiscal years 2008 through 2012,  
23 \$20,000,000 for the purpose of carrying out this section.  
24 Funds appropriated under this subsection shall remain  
25 available until expended.



1 **SEC. 602. APPLICATION OF CERTAIN MANAGED CARE**  
 2 **QUALITY SAFEGUARDS TO CHIP.**

3 Section 2107(e)(1) (42 U.S.C. 1397gg(e)(1)), as  
 4 amended by sections 301(b), 302(b)(2), and 403(b), is  
 5 amended by redesignating subparagraph (G) as subpara-  
 6 graph (H), and by inserting after subparagraph (F) the  
 7 following new subparagraph:

8 “(G) Subsections (a)(5), (b), (c), (d), and  
 9 (e) of section 1932 (relating to requirements for  
 10 managed care).”.

11 **TITLE VII—OTHER**  
 12 **IMPROVEMENTS**

13 **SEC. 701. STRENGTHENING PREMIUM ASSISTANCE PRO-**  
 14 **GRAMS.**

15 (a) IMPROVING THE COST-EFFECTIVENESS STAND-  
 16 ARD.—Section 2105(c)(3) (42 U.S.C. 1397ee(c)(3)) is  
 17 amended—

18 (1) by redesignating subparagraphs (A) and  
 19 (B) as clauses (i) and (ii) and indenting appro-  
 20 priately;

21 (2) by striking “Payment may be made” and  
 22 inserting the following:

23 “(A) IN GENERAL.—Subject to the suc-  
 24 ceeding provisions of this paragraph, payment  
 25 may be made”; and

1           (3) by adding at the end the following new sub-  
2 paragraph:

3                   “(B) IMPROVEMENTS IN COST-EFFECTIVE-  
4                   NESS MEASURE.—

5                           “(i) APPLICATION OF FAMILY-BASED  
6                           TEST.—Coverage described in subpara-  
7                           graph (A) shall be deemed cost-effective if  
8                           the State establishes to the satisfaction of  
9                           the Secretary that the cost of such cov-  
10                           erage is less than the expenditures that the  
11                           State would have made to enroll the family  
12                           in the State child health plan.

13                           “(ii) AGGREGATE PROGRAM OPER-  
14                           ATIONAL COSTS DO NOT EXCEED THE  
15                           COST OF PROVIDING COVERAGE UNDER  
16                           THE STATE CHILD HEALTH PLAN.—In the  
17                           case of a State that does not establish  
18                           cost-effectiveness under clause (i), payment  
19                           may not be made under subsection (a)(1)  
20                           for the purchase of any coverage described  
21                           in subparagraph (A) for a family unless  
22                           the State establishes to the satisfaction of  
23                           the Secretary that the aggregate amount  
24                           of expenditures by the State for the pur-  
25                           chase of all such coverage (including ad-

1           ministrative expenditures) does not exceed  
2           the aggregate amount of expenditures that  
3           the State would have made for providing  
4           coverage under the State child health plan  
5           for all such families.”.

6           (b) DISCLOSURE OF GROUP HEALTH PLAN BENE-  
7   FITS.—Section 2105(c)(3) (42 U.S.C. 1397ee(c)(3)), as  
8   amended by subsections (a) and (b), is amended by adding  
9   at the end the following new subparagraph:

10           “(D) DISCLOSURE OF GROUP HEALTH  
11           PLAN BENEFITS.—Notwithstanding any other  
12           provision of law, the plan administrator of a  
13           group health plan in which participants or  
14           beneficiaries are covered under a State plan  
15           under title XIX or this title, shall disclose to  
16           the State, upon request, information about the  
17           benefits available under the group health plan  
18           in sufficient specificity so that the State may  
19           determine—

20           “(i) whether purchasing coverage for  
21           the participant or beneficiary under the  
22           group health plan meets the cost-effective-  
23           ness standard applied under subparagraph  
24           (B); and

1           “(ii) what additional benefits and  
2           cost-sharing assistance must be provided to  
3           ensure that the participant or beneficiary  
4           receives through the provision of additional  
5           benefits by the State, benefits that are  
6           equivalent to the coverage that would be  
7           provided to such participant or beneficiary  
8           under such State plan.”.

9           (c) APPROVAL OF SECTION 1115 WAIVERS FOR PRE-  
10 MIUM ASSISTANCE.—Section 1115 (42 U.S.C. 1315) is  
11 amended by inserting after subsection (c), the following  
12 new subsection:

13           “(d) In approving a request by a State for an experi-  
14 mental, pilot, or demonstration project under this section  
15 with respect to the purchase of private insurance for indi-  
16 viduals eligible for assistance under title XIX or XXI, the  
17 Secretary shall not waive compliance with requirements of  
18 such titles or treat expenditures under the project as ex-  
19 penditures under the State plans approved under such ti-  
20 tles unless the State demonstrates both of the following:

21           “(1) The fact that an individual is enrolled in  
22           a group health plan or an insurance plan purchased  
23           on the individual market shall not change the indi-  
24           vidual’s eligibility for assistance under the such  
25           State plans.

1           “(2) The cost to the Federal Government and  
 2           State of purchasing private insurance for the indi-  
 3           vidual (including administrative costs), as well as  
 4           any additional costs incurred in providing items and  
 5           services covered under such State plans but not  
 6           through the private insurance for such individual,  
 7           does not exceed, on an average per individual basis,  
 8           the cost of providing coverage to the individual di-  
 9           rectly under such State plans.”.

10          (d) GAO STUDY AND REPORT.—Not later than Jan-  
 11          uary 1, 2009, the Comptroller General of the United  
 12          States shall study cost and coverage issues relating to  
 13          State premium assistance programs for which Federal  
 14          matching payments are made under title XIX or XXI of  
 15          the Social Security Act and submit a report to Congress  
 16          on the results of such study.

17          **SEC. 702. PERMITTING COVERAGE OF CHILDREN OF EM-**  
 18   **PLOYEES OF A PUBLIC AGENCY IN THE**  
 19   **STATE.**

20          Section 2110(b) (42 U.S.C. 1397jj(b)) is amended—

21                   (1) in paragraph (2)(B), by inserting “except as  
 22                   provided in paragraph (5),” before “a child”; and

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

1           “(5) EXCEPTIONS TO EXCLUSION OF CHILDREN  
2           OF EMPLOYEES OF A PUBLIC AGENCY IN THE  
3           STATE.—

4                   “(A) IN GENERAL.—A child shall not be  
5                   considered to be described in paragraph (2)(B)  
6                   if—

7                           “(i) the public agency that employs a  
8                           member of the child’s family to which such  
9                           paragraph applies satisfies subparagraph  
10                          (B); or

11                           “(ii) subparagraph (C) applies to such  
12                          child.

13                   “(B) MAINTENANCE OF EFFORT WITH RE-  
14                   SPECT TO PER PERSON AGENCY CONTRIBUTION  
15                   FOR FAMILY COVERAGE.—For purposes of sub-  
16                   paragraph (A)(i), a public agency satisfies this  
17                   subparagraph if the amount of annual agency  
18                   expenditures made on behalf of each employee  
19                   enrolled in health coverage paid for by the  
20                   agency that includes dependent coverage for the  
21                   most recent State fiscal year is not less than  
22                   the amount of such expenditures made by the  
23                   agency for the 1997 State fiscal year, increased  
24                   by the percentage increase in the medical care  
25                   expenditure category of the Consumer Price

1 Index for All-Urban Consumers (all items: U.S.  
2 City Average) for such preceding fiscal year.

3 “(C) HARDSHIP EXCEPTION.—For pur-  
4 poses of subparagraph (A)(ii), this subpara-  
5 graph applies to a child if the State determines,  
6 on a case-by-case basis, that the annual aggre-  
7 gate amount of premiums and cost-sharing im-  
8 posed for coverage of the family of the child  
9 would exceed 5 percent of such family’s income  
10 for the year involved.”.

11 **SEC. 703. IMPROVING DATA COLLECTION.**

12 (a) INCREASED APPROPRIATION.—Section  
13 2109(b)(2) (42 U.S.C. 1397ii(b)(2)) is amended by strik-  
14 ing “\$10,000,000 for fiscal year 2000” and inserting  
15 “\$20,000,000 for fiscal year 2008”.

16 (b) USE OF ADDITIONAL FUNDS.—Section 2109(b)  
17 (42 U.S.C. 1397ii(b)), as amended by subsection (a), is  
18 amended—

19 (1) by redesignating paragraph (2) as para-  
20 graph (3); and

21 (2) by inserting after paragraph (1), the fol-  
22 lowing new paragraph:

23 “(2) ADDITIONAL REQUIREMENTS.—In addition  
24 to making the adjustments required to produce the  
25 data described in paragraph (1), with respect to

1 data collection occurring for fiscal years beginning  
2 with fiscal year 2008, in appropriate consultation  
3 with the Secretary of Health and Human Services,  
4 the Secretary of Commerce shall do the following:

5 “(A) Make appropriate adjustments to the  
6 Current Population Survey to develop more ac-  
7 curate State-specific estimates of the number of  
8 children enrolled in health coverage under title  
9 XIX or this title.

10 “(B) Make appropriate adjustments to the  
11 Current Population Survey to improve the sur-  
12 vey estimates used to compile the State-specific  
13 and national number of low-income children  
14 without health insurance for purposes of sec-  
15 tions 1905(y)(2)(A)(i), 2106(b)(3)(B)(iii)(I),  
16 and 2104(i)(3)(D)(i).

17 “(C) Assist in the incorporation of health  
18 insurance survey information in the American  
19 Community Survey related to children.

20 “(D) Assess whether American Community  
21 Survey estimates, once such survey data are  
22 first available, produce more reliable estimates  
23 than the Current Population Survey for pur-  
24 poses of section 2104(i)(3)(D)(i).



1           “(E) Recommend to the Secretary of  
2           Health and Human Services whether American  
3           Community Survey estimates should be used for  
4           purposes of 2104(i)(3)(D)(i).

5           “(F) Continue making the adjustments de-  
6           scribed in the last sentence of paragraph (1)  
7           with respect to expansion of the sample size  
8           used in State sampling units, the number of  
9           sampling units in a State, and using an appro-  
10          priate verification element.”.

11 **SEC. 704. MORATORIUM ON APPLICATION OF PERM RE-**  
12                   **QUIREMENTS RELATED TO ELIGIBILITY RE-**  
13                   **VIEWS DURING PERIOD OF INDEPENDENT**  
14                   **STUDY AND REPORT.**

15           (a) MORATORIUM.—Notwithstanding parts 431 and  
16           457 of title 42, Code of Federal Regulations, or any other  
17           provision of law, except as provided in paragraph (2), dur-  
18           ing the period that begins on the date of enactment of  
19           this Act and ends on the final effective date for the regula-  
20           tions required under subsection (e), the Secretary shall not  
21           apply the payment error rate measurement (PERM) re-  
22           quirements related to eligibility reviews imposed under  
23           such parts with respect to Medicaid or CHIP.

24           (b) STUDY AND REPORT.—

1           (1) INSTITUTE OF MEDICINE STUDY.—The Sec-  
2           retary shall enter into a contract with the Institute  
3           of Medicine of the National Academy of Sciences (in  
4           this section referred to as the “Institute”) to con-  
5           duct an independent study of the payment error rate  
6           measurement (PERM) requirements related to eligi-  
7           bility reviews imposed under parts 431 and 457 of  
8           title 42, Code of Federal Regulations with respect to  
9           Medicaid and CHIP and established in accordance  
10          with the Improper Payments Information Act of  
11          2002 (Public Law 107–300). Such study shall exam-  
12          ine and develop recommendations for modifying such  
13          requirements in order to—

14                   (A) minimize the administrative cost bur-  
15                   den on States under Medicaid and CHIP;

16                   (B) avoid inadvertent error findings with  
17                   respect to such programs despite compliance  
18                   with Federal and State policies and procedures  
19                   in effect as of the date of the submission of the  
20                   claim or action that led to such finding;

21                   (C) maintain State flexibility to manage  
22                   such programs; and

23                   (D) ensure that such requirements do not  
24                   interfere with State efforts to simplify applica-  
25                   tion and renewal procedures that increase en-

1 rollment in Medicaid and CHIP and do not re-  
2 duce beneficiary participation in such programs.

3 (2) SUPPORT.—The Secretary shall provide the  
4 Institute with any relevant data available to the Sec-  
5 retary during the period in which the study required  
6 under paragraph (1) is conducted.

7 (3) REPORT.—Not later than the date that is  
8 18 months after the date of enactment of this Act,  
9 the Institute shall submit to the Secretary and Con-  
10 gress a report on the results of the study conducted  
11 under this subsection.

12 (c) REGULATIONS.—Not later than 6 months after  
13 the date on which the report required under subsection  
14 (b)(3) has been submitted to the Secretary, the Secretary,  
15 after taking into consideration the recommendations con-  
16 tained in the report, shall promulgate such regulations re-  
17 vising the PERM requirements as the Secretary deter-  
18 mines are appropriate.

19 (d) APPROPRIATIONS.—Out of any funds in the  
20 Treasury not otherwise appropriated, there is appro-  
21 priated for fiscal year 2008 such sums as may be nec-  
22 essary for the purpose of carrying out this section, not  
23 to exceed \$1,000,000. Funds appropriated under this sub-  
24 section shall remain available until expended.

1 **SEC. 705. ELIMINATION OF CONFUSING PROGRAM REF-**  
2 **ERENCES.**

3 Section 704 of the Medicare, Medicaid, and SCHIP  
4 Balanced Budget Refinement Act of 1999, as enacted into  
5 law by division B of Public Law 106–113 (113 Stat.  
6 1501A–402) is repealed.

7 **TITLE VIII—EFFECTIVE DATE**

8 **SEC. 801. EFFECTIVE DATE.**

9 (a) **IN GENERAL.**—Unless otherwise provided, sub-  
10 ject to subsection (b), the amendments made by this Act  
11 shall take effect on October 1, 2007, and shall apply to  
12 child health assistance and medical assistance provided on  
13 or after that date without regard to whether or not final  
14 regulations to carry out such amendments have been pro-  
15 mulgated by such date.

16 (b) **EXCEPTION FOR STATE LEGISLATION.**—In the  
17 case of a State plan under title XIX or XXI of the Social  
18 Security Act, which the Secretary determines requires  
19 State legislation in order for the plan to meet the addi-  
20 tional requirements imposed by an amendment made by  
21 this Act, the State plan shall not be regarded as failing  
22 to comply with the requirements of such Act solely on the  
23 basis of its failure to meet these additional requirements  
24 before the first day of the first calendar quarter beginning  
25 after the close of the first regular session of the State leg-  
26 islature that begins after the date of enactment of this

1 Act. For purposes of the preceding sentence, in the case  
2 of a State that has a 2-year legislative session, each year  
3 of the session shall be considered to be a separate regular  
4 session of the State legislature.

○