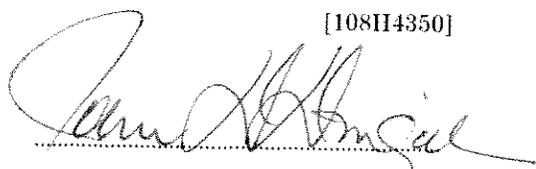


[108H4350]



(Original Signature of Member)

109TH CONGRESS
1ST SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

and [see attached list of cosponsors]

Mr. DINGELL (for himself) introduced the following bill; which was referred to the Committee on _____

A BILL

To amend titles XIX and XXI of the Social Security Act to provide for FamilyCare coverage for parents of enrolled children, 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 OF TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “FamilyCare Act of 2005”.



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

- Sec. 1. Short title of title; table of contents.
- Sec. 2. Renaming of title XXI program.
- Sec. 3. FamilyCare coverage of parents and pregnant women under the med-
icaid program and title XXI.
- Sec. 4. Automatic enrollment of children born to title XXI parents.
- Sec. 5. Optional coverage of legal immigrants under the medicaid program and
title XXI.
- Sec. 6. Optional coverage of children through age 20 under the medicaid pro-
gram and title XXI.
- Sec. 7. Allowing States to simplify rules for families.
- Sec. 8. Revision and simplification of the transitional medical assistance pro-
gram (TMA).
- Sec. 9. Limitations on conflicts of interest.
- Sec. 10. Demonstration programs to improve medicaid and CHIP outreach to
homeless individuals and families.
- Sec. 11. Additional CHIP revisions.
- Sec. 12. Increased federal reimbursement for language services under the med-
icaid program and title XXI.

3 **SEC. 2. RENAMING OF TITLE XXI PROGRAM.**

4 (a) IN GENERAL.—The heading of title XXI of the
5 Social Security Act (42 U.S.C. 1397aa et seq.) is amended
6 to read as follows:

7 “TITLE XXI—FAMILYCARE PROGRAM”.

8 (b) PROGRAM REFERENCES.—Any reference in any
9 provision of Federal law or regulation to “SCHIP” or
10 “State children’s health insurance program” under title
11 XXI of the Social Security Act shall be deemed a reference
12 to the FamilyCare program under such title.

13 **SEC. 3. FAMILYCARE COVERAGE OF PARENTS AND PREG-**
14 **NANT WOMEN UNDER THE MEDICAID PRO-**
15 **GRAM AND TITLE XXI.**

16 (a) INCENTIVES TO IMPLEMENT FAMILYCARE COV-
17 ERAGE.—



1 (1) UNDER MEDICAID.—

2 (A) ESTABLISHMENT OF NEW OPTIONAL
3 ELIGIBILITY CATEGORY.—Section
4 1902(a)(10)(A)(ii) of the Social Security Act
5 (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

6 (i) by striking “or” at the end of sub-
7 clause (XVII);

8 (ii) by adding “or” at the end of sub-
9 clause (XVIII); and

10 (iii) by adding at the end the fol-
11 lowing:

12 “(XIX) who are individuals de-
13 scribed in subsection (k)(1) (relating
14 to parents of categorically eligible chil-
15 dren);”.

16 (B) PARENTS DESCRIBED.—Section 1902
17 of the Social Security Act is further amended
18 by inserting after subsection (j) the following:

19 “(k)(1)(A) Individuals described in this paragraph
20 are individuals—

21 “(i) who are the parents of an individual who
22 is under 19 years of age (or such higher age as the
23 State may have elected under section 1902(l)(1)(D))
24 and who is eligible for medical assistance under sub-
25 section (a)(10)(A);



1 “(ii) who are not otherwise eligible for medical
2 assistance under such subsection or under a waiver
3 approved under section 1115 or otherwise (except
4 under section 1931 or under subsection
5 (a)(10)(A)(ii)(XIX)); and

6 “(iii) whose family income or resources exceeds
7 the effective income level or resource level applicable
8 under the State plan under part A of title IV as in
9 effect as of July 16, 1996, but does not exceed the
10 highest effective income or resource level (if any) ap-
11 plicable to a child in the family under this title.

12 “(B) In establishing an income eligibility level for in-
13 dividuals described in this paragraph, a State may vary
14 such level consistent with the various income levels estab-
15 lished under subsection (l)(2) in order to ensure, to the
16 maximum extent possible, that such individuals shall be
17 enrolled in the same program as their children.

18 “(C) An individual may not be treated as being de-
19 scribed in this paragraph unless, at the time of the individ-
20 ual’s enrollment under this title, the child referred to in
21 subparagraph (A)(i) of the individual is also enrolled
22 under this title or otherwise insured.

23 “(D) In this subsection, the term ‘parent’ includes
24 an individual treated as a caretaker for purposes of car-
25 rying out section 1931.



1 “(E) In this subsection, the term ‘effective income
2 level’ means the income level expressed as a percent of
3 the poverty line and considering applicable income dis-
4 regards.

5 “(2) The State shall provide for coverage of a parent
6 described in paragraph (1) or section 2111 of a child who
7 is covered under this title or title XXI under the same
8 title as the title as such child is covered. In the case of
9 a parent described in paragraph (1) who is also the parent
10 of a child who is eligible for child health assistance under
11 title XXI, the State may elect (on a uniform basis) to
12 cover all such parents under section 2111 or under this
13 title.”.

14 (C) ENHANCED MATCHING FUNDS AVAIL-
15 ABLE IF CERTAIN CONDITIONS MET.—Section
16 1905 of the Social Security Act (42 U.S.C.
17 1396d) is amended—

18 (i) in the fourth sentence of sub-
19 section (b), by striking “or subsection
20 (u)(3)” and inserting “, (u)(3), or
21 (u)(4)(A)”; and

22 (ii) in subsection (u)—

23 (I) by redesignating paragraph
24 (4) as paragraph (6), and



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

3 “(4) For purposes of subsection (b) and section
4 2105(a)(1):

5 “(A) FAMILYCARE PARENTS.—The expendi-
6 tures described in this subparagraph are the expendi-
7 tures described in the following clauses (i) and (ii):

8 “(i) PARENTS.—If the conditions described
9 in clauses (iii) and (iv) are met, expenditures
10 for medical assistance for parents described in
11 section 1902(k)(1) and for parents who would
12 be described in such section but for the fact
13 that they are eligible for medical assistance
14 under section 1931 or under a waiver approved
15 under section 1115.

16 “(ii) CERTAIN PREGNANT WOMEN.—If the
17 conditions described in clause (v) are met, ex-
18 penditures for medical assistance for pregnant
19 women described in subsection (n) or under sec-
20 tion 1902(l)(1)(A) in a family the income of
21 which exceeds the effective income level applica-
22 ble under subsection (a)(10)(A)(i)(III) or
23 (l)(2)(A) of section 1902 to a family of the size
24 involved as of January 1, 2006.



1 “(iii) CONDITIONS RELATING TO ENSURING
2 CHILDREN’S COVERAGE FOR ENHANCED MATCH
3 FOR PARENTS.—The conditions described in
4 this clause are the following:

5 “(I) The State has a State child
6 health plan under title XXI which (wheth-
7 er implemented under such title or under
8 this title) has an effective income level for
9 children that is at least 200 percent of the
10 poverty line.

11 “(II) Such State child health plan
12 does not limit the acceptance of applica-
13 tions, does not use a waiting list for chil-
14 dren who meet eligibility standards to
15 qualify for assistance, and provides bene-
16 fits to all children in the State who apply
17 for and meet eligibility standards.

18 “(III) Effective for determinations of
19 eligibility made on or after the date that is
20 1 year after the date of the enactment of
21 this clause, the application and renewal
22 procedures for individuals under 19 years
23 of age (or such higher age as the State has
24 elected under section 1902(l)(1)(D)) for
25 medical assistance under section



1 1902(a)(10)(A) are not be more restrictive
2 or burdensome than such procedures used
3 for children with higher income under the
4 State child health plan under title XXI.

5 “(iv) CONDITIONS RELATING TO MINIMUM
6 COVERAGE FOR PARENTS FOR ENHANCED
7 MATCH FOR PARENTS.—The conditions de-
8 scribed in this clause are the following:

9 “(I) The State does not apply an in-
10 come level for parents that is lower than
11 the effective income level (expressed as a
12 percent of the poverty line) that has been
13 specified under the State plan under title
14 XIX (including under a waiver authorized
15 by the Secretary or under section
16 1902(r)(2)), as of January 1, 2005, to be
17 eligible for medical assistance as a parent
18 under this title.

19 “(II) The State plans under this title
20 and title XXI do not provide coverage for
21 parents with higher family income without
22 covering parents with a lower family in-
23 come.



1 “(v) CONDITIONS FOR ENHANCED MATCH
 2 FOR CERTAIN PREGNANT WOMEN.—The condi-
 3 tions described in this clause are the following:

4 “(I) The State has established an ef-
 5 fective income eligibility level for pregnant
 6 women under subsection (a)(10)(A)(i)(III)
 7 or (l)(2)(A) of section 1902 that is at least
 8 185 percent of the poverty line.

9 “(II) The State plans under this title
 10 and title XXI do not provide coverage for
 11 pregnant women described in subpara-
 12 graph (A)(ii) with higher family income
 13 without covering such pregnant women
 14 with a lower family income.

15 “(III) The State does not apply an in-
 16 come level for pregnant women that is
 17 lower than the effective income level that
 18 has been specified under the State plan
 19 under subsection (a)(10)(A)(i)(III) or
 20 (l)(2)(A) of section 1902, as of January 1,
 21 2005, to be eligible for medical assistance
 22 as a pregnant woman.

23 “(IV) The State satisfies the condi-
 24 tions described in subclauses (I) and (II)
 25 of clause (iii).



1 “(vi) DEFINITIONS.—For purposes of this
2 subsection:

3 “(I) The term ‘parent’ has the mean-
4 ing given such term for purposes of section
5 1902(k)(1).

6 “(II) The term ‘poverty line’ has the
7 meaning given such term in section
8 2110(e)(5).”.

9 (D) APPROPRIATION FROM TITLE XXI AL-
10 LOTMENT FOR CERTAIN MEDICAID EXPANSION
11 COSTS.—Section 2105(a) of the Social Security
12 Act (42 U.S.C. 1397ee(a)) is amended—

13 (i) in paragraph (1), by redesignating
14 subparagraphs (B) through (D) as sub-
15 paragraphs (C) through (E), respectively,
16 and by inserting after subparagraph (A)
17 the following new subparagraph:

18 “(B) for medical assistance that is attrib-
19 utable to expenditures described in section
20 1905(u)(4)(A);”; and

21 (ii) in paragraph (2), by adding at the
22 end the following new subparagraph:

23 “(E) Fifth, for expenditures for items de-
24 scribed in paragraph (1)(E).”.



1 (E) INCREASING ENHANCED FMAP TO 100
2 PERCENT FOR FISCAL YEARS 2006 AND 2007 FOR
3 COVERAGE OF PARENTS.—Section 2105(b) of
4 such Act (42 U.S.C. 1397ee(b)) is amended by
5 adding at the end the following new sentence:
6 “Notwithstanding the previous sentence, the
7 ‘enhanced FMAP’ shall be 100 percent with re-
8 spect to medical assistance under title XIX for
9 expenditures described in section
10 1905(u)(4)(A)(i), but only for such assistance
11 furnished during fiscal year 2006 and fiscal
12 year 2007.”.

13 (2) UNDER TITLE XXI.—

14 (A) FAMILYCARE COVERAGE.—Title XXI
15 of the Social Security Act (42 U.S.C. 1397aa et
16 seq.) is amended by adding at the end the fol-
17 lowing:

18 **“SEC. 2111. OPTIONAL FAMILYCARE COVERAGE OF PAR-**
19 **ENTS OF TARGETED LOW-INCOME CHILDREN.**

20 “(a) OPTIONAL COVERAGE.—Notwithstanding any
21 other provision of this title, a State may provide for cov-
22 erage, through an amendment to its State child health
23 plan under section 2102, of parent health assistance for
24 targeted low-income parents, health care assistance for



1 targeted low-income pregnant women, or both, in accord-
2 ance with this section, but only if—

3 “(1) with respect to the provision of parent
4 health assistance, the State meets the conditions de-
5 scribed in clause (iii) of section 1905(u)(4)(A);

6 “(2) with respect to the provision of health care
7 assistance for pregnant women, the State meets the
8 conditions described in clause (iv) of section
9 1905(u)(4)(A); and

10 “(3) in the case of parent health assistance for
11 targeted low-income parents, the State elects to pro-
12 vide medical assistance under section
13 1902(a)(10)(A)(ii)(XIX), under section 1931, or
14 under a waiver under section 1115 to individuals de-
15 scribed in section 1902(k)(1)(A)(i) and elects an ef-
16 fective income level that, consistent with paragraphs
17 (1)(B) and (2) of section 1902(k), ensures to the
18 maximum extent possible, that such individuals shall
19 be enrolled in the same program as their children if
20 their children are eligible for coverage under title
21 XIX (including under a waiver authorized by the
22 Secretary or under section 1902(r)(2)).

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

24 “(1) PARENT HEALTH ASSISTANCE.—The term
25 ‘parent health assistance’ has the meaning given the



1 term child health assistance in section 2110(a) as if
2 any reference to targeted low-income children were
3 a reference to targeted low-income parents.

4 “(2) PARENT.—The term ‘parent’ has the
5 meaning given the term ‘caretaker relative’ for pur-
6 poses of carrying out section 1931.

7 “(3) HEALTH CARE ASSISTANCE FOR PREG-
8 NANT WOMEN.—The term ‘health care assistance for
9 pregnant women’ has the meaning given the term
10 child health assistance in section 2110(a) as if any
11 reference to targeted low-income children were a ref-
12 erence to targeted low-income pregnant women.

13 “(4) TARGETED LOW-INCOME PARENT.—The
14 term ‘targeted low-income parent’ has the meaning
15 given the term targeted low-income child in section
16 2110(b) as if the reference to a child were deemed
17 a reference to a parent (as defined in paragraph (3))
18 of the child; except that in applying such section—

19 “(A) there shall be substituted for the in-
20 come level described in paragraph (1)(B)(ii)(I)
21 the applicable income level in effect for a tar-
22 geted low-income child;

23 “(B) in paragraph (3), January 1, 2006,
24 shall be substituted for July 1, 1997; and



1 “(C) in paragraph (4), January 1, 2006,
2 shall be substituted for March 31, 1997.

3 “(5) TARGETED LOW-INCOME PREGNANT
4 WOMAN.—The term ‘targeted low-income pregnant
5 woman’ has the meaning given the term targeted
6 low-income child in section 2110(b) as if any ref-
7 erence to a child were a reference to a woman dur-
8 ing pregnancy and through the end of the month in
9 which the 60-day period beginning on the last day
10 of her pregnancy ends; except that in applying such
11 section—

12 “(A) there shall be substituted for the in-
13 come level described in paragraph (1)(B)(ii)(I)
14 the applicable income level in effect for a tar-
15 geted low-income child;

16 “(B) in paragraph (3), January 1, 2006,
17 shall be substituted for July 1, 1997; and

18 “(C) in paragraph (4), January 1, 2006,
19 shall be substituted for March 31, 1997.

20 “(c) REFERENCES TO TERMS AND SPECIAL
21 RULES.—In the case of, and with respect to, a State pro-
22 viding for coverage of parent health assistance to targeted
23 low-income parents or health care assistance to targeted
24 low-income pregnant women under subsection (a), the fol-
25 lowing special rules apply:



1 “(1) Any reference in this title (other than in
2 subsection (b)) to a targeted low-income child is
3 deemed to include a reference to a targeted low-in-
4 come parent or a targeted low-income pregnant
5 woman (as applicable).

6 “(2) Any such reference to child health
7 assistance—

8 “(A) with respect to such parents is
9 deemed a reference to parent health assistance;
10 and

11 “(B) with respect to such pregnant women,
12 is deemed a reference to health care assistance
13 for pregnant women.

14 “(3) In applying section 2103(e)(3)(B) in the
15 case of a family (consisting of a parent and one or
16 more children) provided coverage under this section
17 or a pregnant woman provided coverage under this
18 section without covering other family members, the
19 limitation on total annual aggregate cost-sharing
20 shall be applied to such entire family or such preg-
21 nant woman, respectively.

22 “(4) In applying section 2110(b)(4), any ref-
23 erence to ‘section 1902(l)(2) or 1905(n)(2) (as se-
24 lected by a State)’ is deemed a reference to the ef-
25 fective income level applicable to parents under sec-



1 tion 1931 or under a waiver approved under section
2 1115, or, in the case of a pregnant woman, the in-
3 come level established under section 1902(l)(2)(A).

4 “(5) In applying section 2102(b)(3)(B), any
5 reference to children found through screening to be
6 eligible for medical assistance under the State med-
7 icaid plan under title XIX is deemed a reference to
8 parents and pregnant women.”.

9 (B) ADDITIONAL ALLOTMENT FOR STATES
10 PROVIDING FAMILYCARE.—

11 (i) IN GENERAL.—Section 2104 of the
12 Social Security Act (42 U.S.C. 1397dd) is
13 amended by inserting after subsection (c)
14 the following:

15 “(d) ADDITIONAL ALLOTMENTS FOR STATE PRO-
16 VIDING FAMILYCARE.—

17 “(1) APPROPRIATION; TOTAL ALLOTMENT.—
18 For the purpose of providing additional allotments
19 to States to provide FamilyCare coverage under sec-
20 tion 2111, there is appropriated, out of any money
21 in the Treasury not otherwise appropriated—

22 “(A) for fiscal year 2006, \$7,000,000,000;

23 “(B) for fiscal year 2007, \$7,000,000,000;

24 “(C) for fiscal year 2008, \$3,000,000,000;

25 “(D) for fiscal year 2009, \$3,000,000,000;



1 “(E) for fiscal year 2010, \$6,000,000,000;

2 “(F) for fiscal year 2011, \$7,000,000,000;

3 “(G) for fiscal year 2012, \$8,000,000,000;

4 “(H) for fiscal year 2013, \$9,000,000,000;

5 and

6 “(I) for fiscal year 2014 and each fiscal
7 year thereafter, the amount of the allotment
8 provided under this paragraph for the preceding
9 fiscal year increased by the percentage increase
10 (if any) in the medical care expenditure cat-
11 egory of the Consumer Price Index for All
12 Urban Consumers (United States city average).

13 “(2) STATE AND TERRITORIAL ALLOTMENTS.—

14 “(A) IN GENERAL.—In addition to the al-
15 lotments provided under subsections (b) and
16 (c), subject to paragraphs (3) and (4), of the
17 amount available for the additional allotments
18 under paragraph (1) for a fiscal year, the Sec-
19 retary shall allot to each State with a State
20 child health plan approved under this title—

21 “(i) in the case of such a State other
22 than a commonwealth or territory de-
23 scribed in clause (ii), the same proportion
24 as the proportion of the State’s allotment
25 under subsection (b) (determined without



1 regard to subsection (f)) to 98.95 percent
2 of the total amount of the allotments
3 under such section for such States eligible
4 for an allotment under this subparagraph
5 for such fiscal year; and

6 “(ii) in the case of a commonwealth or
7 territory described in subsection (c)(3), the
8 same proportion as the proportion of the
9 commonwealth’s or territory’s allotment
10 under subsection (c) (determined without
11 regard to subsection (f)) to 1.05 percent of
12 the total amount of the allotments under
13 such section for commonwealths and terri-
14 tories eligible for an allotment under this
15 subparagraph for such fiscal year.

16 “(B) AVAILABILITY AND REDISTRIBUTION
17 OF UNUSED ALLOTMENTS.—In applying sub-
18 sections (e) and (f) with respect to additional
19 allotments made available under this subsection,
20 the procedures established under such sub-
21 sections shall ensure such additional allotments
22 are only made available to States which have
23 elected to provide coverage under section 2111.

24 “(3) USE OF ADDITIONAL ALLOTMENT.—Addi-
25 tional allotments provided under this subsection are



1 not available for amounts expended before October
2 1, 2005. Such amounts are available for amounts ex-
3 pended on or after such date for child health assist-
4 ance for targeted low-income children, as well as for
5 parent health assistance for targeted low-income
6 parents, and health care assistance for targeted low-
7 income pregnant women.

8 “(4) REQUIRING ELECTION TO PROVIDE COV-
9 ERAGE.—No payments may be made to a State
10 under this title from an allotment provided under
11 this subsection unless the State has made an elec-
12 tion to provide parent health assistance for targeted
13 low-income parents, or health care assistance for
14 targeted low-income pregnant women.”.

15 (ii) CONFORMING AMENDMENTS.—
16 Section 2104 of the Social Security Act
17 (42 U.S.C. 1397dd) is amended—

18 (I) in subsection (a), by inserting
19 “subject to subsection (d),” after
20 “under this section,”;

21 (II) in subsection (b)(1), by in-
22 sserting “and subsection (d)” after
23 “Subject to paragraph (4)”; and



1 (III) in subsection (c)(1), by in-
 2 serting “subject to subsection (d),”
 3 after “for a fiscal year.”

4 (C) NO COST-SHARING FOR PREGNANCY-
 5 RELATED BENEFITS.—Section 2103(e)(2) of
 6 the Social Security Act (42 U.S.C.
 7 1397cc(e)(2)) is amended—

8 (i) in the heading, by inserting “AND
 9 PREGNANCY-RELATED SERVICES” after
 10 “PREVENTIVE SERVICES”; and

11 (ii) by inserting before the period at
 12 the end the following: “and for pregnancy-
 13 related services”.

14 (3) EFFECTIVE DATE.—The amendments made
 15 by this subsection apply to items and services fur-
 16 nished on or after October 1, 2005, whether or not
 17 regulations implementing such amendments have
 18 been issued.

19 (b) RULES FOR IMPLEMENTATION BEGINNING WITH
 20 FISCAL YEAR 2007.—

21 (1) EXPANSION OF AVAILABILITY OF EN-
 22 HANCED MATCH UNDER MEDICAID FOR PRE-CHIP
 23 EXPANSIONS.—Paragraph (4) of section 1905(u) of
 24 the Social Security Act (42 U.S.C. 1396d(u)), as in-
 25 serted by subsection (a)(1)(C), is amended—



1 (A) by amending clause (ii) of subpara-
2 graph (A) to read as follows:

3 “(ii) CERTAIN PREGNANT WOMEN.—Ex-
4 penditures for medical assistance for pregnant
5 women under section 1902(l)(1)(A) in a family
6 the income of which exceeds the 133 percent of
7 the income official poverty line, but only if the
8 income level established under section
9 1902(l)(2) (or under a Statewide waiver under
10 section 1115) for pregnant women is 185 per-
11 cent of the income official poverty line.”; and

12 (B) by adding at the end the following:

13 “(B) CHILDREN IN FAMILIES WITH INCOME
14 ABOVE MEDICAID MANDATORY LEVEL NOT PRE-
15 VIOUSLY DESCRIBED.—The expenditures described
16 in this subparagraph are expenditures (other than
17 expenditures described in paragraph (2) or (3)) for
18 medical assistance made available to any child who
19 is eligible for assistance under section
20 1902(a)(10)(A) (other than under clause (i)) and
21 the income of whose family exceeds the minimum in-
22 come level required under subsection 1902(l)(2) (or,
23 if higher, the minimum level required under section
24 1931 for that State) for a child of the age involved



1 (treating any child who is 19 or 20 years of age as
2 being 18 years of age).”.

3 (2) OFFSET OF ADDITIONAL EXPENDITURES
4 FOR ENHANCED MATCH FOR PRE-CHIP EXPAN-
5 SION.—Section 1905 of the Social Security Act (42
6 U.S.C. 1396d) is amended—

7 (A) in the fourth sentence of subsection
8 (b), by inserting “(except in the case of expend-
9 itures described in subsection (u)(5))” after “do
10 not exceed”;

11 (B) in subsection (u), by inserting after
12 paragraph (4) (as inserted by subparagraph
13 (C)), the following:

14 “(5) For purposes of the fourth sentence of sub-
15 section (b) and section 2105(a), the following payments
16 under this title do not count against a State’s allotment
17 under section 2104:

18 “(A) REGULAR FMAP FOR EXPENDITURES FOR
19 PREGNANT WOMEN WITH INCOME ABOVE 133 PER-
20 CENT OF POVERTY.—The portion of the payments
21 made for expenditures described in paragraph
22 (4)(A)(ii) that represents the amount that would
23 have been paid if the enhanced FMAP had not been
24 substituted for the Federal medical assistance per-
25 centage.



1 “(B) FAMILYCARE PARENTS.—Payments for
2 expenditures described in paragraph (4)(A)(i).

3 “(C) REGULAR FMAP FOR EXPENDITURES FOR
4 CERTAIN CHILDREN IN FAMILIES WITH INCOME
5 ABOVE MEDICAID MANDATORY LEVEL.—The portion
6 of the payments made for expenditures described in
7 paragraph (4)(B) that represents the amount that
8 would have been paid if the enhanced FMAP had
9 not been substituted for the Federal medical assist-
10 ance percentage.”.

11 (B) CONFORMING AMENDMENTS.—Sub-
12 paragraph (B) of section 2105(a)(1) of the So-
13 cial Security Act, as amended by subsection
14 (a)(1)(D), is amended to read as follows:

15 “(B) CERTAIN FAMILYCARE PARENTS AND
16 OTHERS.—Expenditures for medical assistance
17 that is attributable to expenditures described in
18 section 1905(u)(4), except as provided in sec-
19 tion 1905(u)(5).”.

20 (3) EFFECTIVE DATE.—The amendments made
21 by this subsection apply as of October 1, 2006, to
22 fiscal years beginning on or after such date and to
23 expenditures under the State plan on and after such
24 date, whether or not regulations implementing such
25 amendments have been issued.



1 (c) MAKING TITLE XXI BASE ALLOTMENTS PERMA-
2 NENT.—Section 2104(a) of the Social Security Act (42
3 U.S.C. 1397dd(a)) is amended—

4 (1) by striking “and” at the end of paragraph
5 (9);

6 (2) by striking the period at the end of para-
7 graph (10) and inserting “; and”; and

8 (3) by adding at the end the following:

9 “(11) for fiscal year 2008 and each fiscal year
10 thereafter, the amount of the allotment provided
11 under this subsection for the preceding fiscal year
12 increased by the percentage increase (if any) in the
13 medical care expenditure category of the Consumer
14 Price Index for All Urban Consumers (United States
15 city average).”.

16 (d) GAO STUDY.—

17 (1) STUDY.—The Comptroller General of the
18 United States shall conduct a study regarding fund-
19 ing under title XXI of the Social Security Act that
20 examines—

21 (A) the adequacy of overall funding under
22 such title;

23 (B) the formula for determining allotments
24 and for redistribution of unspent funds under
25 such title; and



1 (C) the effect of waiting lists and caps on
2 enrollment under such title.

3 (2) REPORT.—Not later than July 1, 2007, the
4 Comptroller General shall submit a report on the
5 study conducted under paragraph (1). Such report
6 shall include recommendations regarding a better
7 mechanism for determining State allotments and re-
8 distribution of unspent funds under such title in
9 order to ensure all eligible families in need can ac-
10 cess coverage through such title.

11 (e) CONFORMING AMENDMENTS.—

12 (1) ELIGIBILITY CATEGORIES.—Section
13 1905(a) of the Social Security Act (42 U.S.C.
14 1396d(a)) is amended, in the matter before para-
15 graph (1)—

16 (A) by striking “or” at the end of clause
17 (xii);

18 (B) by inserting “or” at the end of clause
19 (xiii); and

20 (C) by inserting after clause (xiii) the fol-
21 lowing:

22 “(xiv) who are parents described (or treated as
23 if described) in section 1902(k)(1),”.



1 (2) INCOME LIMITATIONS.—Section 1903(f)(4)
2 of the Social Security Act (42 U.S.C. 1396b(f)(4))
3 is amended—

4 (A) effective October 1, 2006, by inserting
5 “1902(a)(10)(A)(i)(VIII),” after
6 “1902(a)(10)(A)(i)(VII),”; and

7 (B) by inserting
8 “1902(a)(10)(A)(ii)(XIX),” after
9 “1902(a)(10)(A)(ii)(XVIII),”.

10 (3) CONFORMING AMENDMENT RELATING TO
11 NO WAITING PERIOD FOR PREGNANT WOMEN.—Sec-
12 tion 2102(b)(1)(B) of the Social Security Act (42
13 U.S.C. 1397bb(b)(1)(B)) is amended—

14 (A) by striking “, and” at the end of
15 clause (i) and inserting a semicolon;

16 (B) by striking the period at the end of
17 clause (ii) and inserting “; and”; and

18 (C) by adding at the end the following:

19 “(iii) may not apply a waiting period
20 (including a waiting period to carry out
21 paragraph (3)(C)) in the case of a targeted
22 low-income parent who is pregnant.”.



1 **SEC. 4. AUTOMATIC ENROLLMENT OF CHILDREN BORN TO**
2 **TITLE XXI PARENTS.**

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

6 “(C) AUTOMATIC ELIGIBILITY OF CHIL-
7 DREN BORN TO A PARENT BEING PROVIDED
8 FAMILYCARE.—Such eligibility standards shall
9 provide for automatic coverage of a child born
10 to an individual who is provided assistance
11 under this title in the same manner as medical
12 assistance would be provided under section
13 1902(e)(4) to a child described in such sec-
14 tion.”.

15 **SEC. 5. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS**
16 **UNDER THE MEDICAID PROGRAM AND TITLE**
17 **XXI.**

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

20 (1) in paragraph (1), by striking “paragraph
21 (2)” and inserting “paragraphs (2) and (4)”; and
22 (2) by adding at the end the following:

23 “(4)(A) A State may elect (in a plan amendment
24 under this title) to provide medical assistance under this
25 title for aliens who are lawfully residing in the United
26 States (including battered aliens described in section



1 431(c) of the Personal Responsibility and Work Oppor-
2 tunity Reconciliation Act of 1996) and who are otherwise
3 eligible for such assistance, within any of the following eli-
4 gibility categories:

5 “(i) PREGNANT WOMEN.—Women during preg-
6 nancy (and during the 60-day period beginning on
7 the last day of the pregnancy).

8 “(ii) CHILDREN.—Children (as defined under
9 such plan), including optional targeted low-income
10 children described in section 1905(u)(2)(B).

11 “(iii) PARENTS.—If the State has elected the
12 eligibility category described in clause (ii), caretaker
13 relatives who are parents (including individuals
14 treated as a caretaker for purposes of carrying out
15 section 1931) of children (described in such clause
16 or otherwise) who are eligible for medical assistance
17 under the plan.

18 “(B)(i) In the case of a State that has elected to pro-
19 vide medical assistance to a category of aliens under sub-
20 paragraph (A), no debt shall accrue under an affidavit of
21 support against any sponsor of such an alien on the basis
22 of provision of assistance to such category and the cost
23 of such assistance shall not be considered as an unreim-
24 bursed cost.



1 “(ii) The provisions of sections 401(a), 402(b), 403,
2 and 421 of the Personal Responsibility and Work Oppor-
3 tunity Reconciliation Act of 1996 shall not apply to a
4 State that makes an election under subparagraph (A).”.

5 (b) **TITLE XXI.**—Section 2107(e)(1) of the Social
6 Security Act (42 U.S.C. 1397gg(e)(1)) is amended by add-
7 ing at the end the following:

8 “(E) Section 1903(v)(4) (relating to op-
9 tional coverage of permanent resident alien chil-
10 dren and parents), but only if the State has
11 elected to apply such section to that category of
12 children under title XIX.”.

13 (c) **EFFECTIVE DATE.**—The amendments made by
14 this section take effect on October 1, 2005, and apply to
15 medical assistance and child health assistance furnished
16 on or after such date, whether or not regulations imple-
17 menting such amendments have been issued.

18 **SEC. 6. OPTIONAL COVERAGE OF CHILDREN THROUGH AGE**
19 **20 UNDER THE MEDICAID PROGRAM AND**
20 **TITLE XXI.**

21 (a) **MEDICAID.**—

22 (1) **IN GENERAL.**—Section 1902(l)(1)(D) of the
23 Social Security Act (42 U.S.C. 1396a(l)(1)(D)) is
24 amended by inserting “(or, at the election of a



1 State, 20 or 21 years of age)” after “19 years of
2 age”.

3 (2) CONFORMING AMENDMENTS.—

4 (A) Section 1902(e)(3)(A) of the Social Se-
5 curity Act (42 U.S.C. 1396a(e)(3)(A)) is
6 amended by inserting “(or 1 year less than the
7 age the State has elected under subsection
8 (l)(1)(D))” after “18 years of age”.

9 (B) Section 1902(e)(12) of the Social Se-
10 curity Act (42 U.S.C. 1396a(e)(12)) is amend-
11 ed by inserting “or such higher age as the State
12 has elected under subsection (l)(1)(D)” after
13 “19 years of age”.

14 (C) Section 1920A(b)(1) of the Social Se-
15 curity Act (42 U.S.C. 1396r-1a(b)(1)) is
16 amended by inserting “or such higher age as
17 the State has elected under section
18 1902(l)(1)(D)” after “19 years of age”.

19 (D) Section 1928(h)(1) of the Social Secu-
20 rity Act (42 U.S.C. 1396s(h)(1)) is amended by
21 inserting “or 1 year less than the age the State
22 has elected under section 1902(l)(1)(D)” before
23 the period at the end.

24 (E) Section 1932(a)(2)(A) of the Social
25 Security Act (42 U.S.C. 1396u-2(a)(2)(A)) is



1 amended by inserting “(or such higher age as
2 the State has elected under section
3 1902(l)(1)(D))” after “19 years of age”.

4 (b) TITLE XXI.—Section 2110(c)(1) of the Social
5 Security Act (42 U.S.C. 1397jj(c)(1)) is amended by in-
6 serting “(or such higher age as the State has elected under
7 section 1902(l)(1)(D))”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section take effect on January 1, 2006, and apply to
10 medical assistance and child health assistance provided on
11 or after such date, whether or not regulations imple-
12 menting such amendments have been issued.

13 **SEC. 7. ALLOWING STATES TO SIMPLIFY RULES FOR FAMI-**
14 **LIES.**

15 (a) PRESUMPTIVE ELIGIBILITY.—

16 (1) APPLICATION TO PRESUMPTIVE ELIGIBILITY
17 FOR PREGNANT WOMEN UNDER MEDICAID.—Section
18 1920(b) of the Social Security Act (42 U.S.C.
19 1396r-1(b)) is amended by adding at the end after
20 and below paragraph (2) the following flush sen-
21 tence:

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

24 (2) OPTIONAL APPLICATION OF PRESUMPTIVE
25 ELIGIBILITY PROVISIONS TO PARENTS.—Section



1 1920A of the Social Security Act (42 U.S.C. 1396r-
2 1a) is amended by adding at the end the following:

3 “(e) A State may elect to apply the previous provi-
4 sions of this section to provide for a period of presumptive
5 eligibility for medical assistance for a parent of a child
6 with respect to whom such a period is provided under this
7 section.”.

8 (3) APPLICATION UNDER TITLE XXI.—Section
9 2107(e)(1)(D) of the Social Security Act (42 U.S.C.
10 1397gg(e)(1)) is amended to read as follows:

11 “(D) Sections 1920 and 1920A (relating to
12 presumptive eligibility).”.

13 (b) 12-MONTHS CONTINUOUS ELIGIBILITY.—

14 (1) MEDICAID.—Section 1902(e)(12) of the So-
15 cial Security Act (42 U.S.C. 1396a(e)(12)) is
16 amended—

17 (A) by striking “At the option of the State,
18 the plan may” and inserting “The plan shall”;

19 (B) by striking “an age specified by the
20 State (not to exceed 19 years of age)” and in-
21 serting “19 years of age (or such higher age as
22 the State has elected under subsection
23 (l)(1)(D)) or, at the option of the State, who is
24 eligible for medical assistance as the parent of
25 such a child”; and



1 (C) in subparagraph (A), by striking “a
2 period (not to exceed 12 months) ” and insert-
3 ing “the 12-month period beginning on the
4 date”.

5 (2) TITLE XXI.—Section 2102(b)(2) of such
6 Act (42 U.S.C. 1397bb(b)(2)) is amended by adding
7 at the end the following: “Such methods shall pro-
8 vide continuous eligibility for children under this
9 title in a manner that is no less generous than the
10 12-months continuous eligibility provided under sec-
11 tion 1902(e)(12) for children described in such sec-
12 tion under title XIX. If a State has elected to apply
13 section 1902(e)(12) to parents, such methods may
14 provide continuous eligibility for parents under this
15 title in a manner that is no less generous than the
16 12-months continuous eligibility provided under such
17 section for parents described in such section under
18 title XIX.”.

19 (3) EFFECTIVE DATE.—The amendments made
20 by this subsection shall take effect on July 1, 2006,
21 whether or not regulations implementing such
22 amendments have been issued.

23 (c) PROVISION OF MEDICAID AND CHIP APPLICA-
24 TIONS AND INFORMATION UNDER THE SCHOOL LUNCH
25 PROGRAM.—Section 9(b)(2)(B) of the Richard B. Russell



1 National School Lunch Act (42 U.S.C. 1758(b)(2)(B)) is
2 amended—

3 (1) by striking “(B) Applications” and inserting
4 “(B)(i) Applications”; and

5 (2) by adding at the end the following:

6 “(ii)(I) Applications for free and reduced price
7 lunches that are distributed pursuant to clause (i) to par-
8 ents or guardians of children in attendance at schools par-
9 ticipating in the school lunch program under this Act shall
10 also contain information on the availability of medical as-
11 sistance under title XIX of the Social Security Act (42
12 U.S.C. 1396 et seq.) and of child health and FamilyCare
13 assistance under title XXI of such Act, including informa-
14 tion on how to obtain an application for assistance under
15 such programs.

16 “(II) Information on the programs referred to in sub-
17 clause (I) shall be provided on a form separate from the
18 application form for free and reduced price lunches under
19 clause (i).”.

20 **SEC. 8. REVISION AND SIMPLIFICATION OF THE TRANSI-**
21 **TIONAL MEDICAL ASSISTANCE PROGRAM**
22 **(TMA).**

23 (a) **MAKING REPORTING REQUIREMENTS OPTIONAL;**
24 **OPTION OF EXTENDED ELIGIBILITY.—**



1 (1) OPTION FOR MAKING REPORTING REQUIRE-
2 MENTS OPTIONAL.—Section 1925(b) of the Social
3 Security Act (42 U.S.C. 1396r-6(b)) is amended—

4 (A) in paragraph (1), by inserting “, at the
5 option of a State,” after “and which”;

6 (B) in paragraph (2)(A), by inserting
7 “Subject to subparagraph (C)—” after “(A)
8 NOTICES.—”;

9 (C) in paragraph (2)(B), by inserting
10 “Subject to subparagraph (C)—” after “(B)
11 REPORTING REQUIREMENTS.—”;

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

14 “(C) STATE OPTION TO WAIVE NOTICE
15 AND REPORTING REQUIREMENTS.—A State
16 may waive some or all of the reporting require-
17 ments under clauses (i) and (ii) of subpara-
18 graph (B). Insofar as it waives such a reporting
19 requirement, the State need not provide for a
20 notice under subparagraph (A) relating to such
21 requirement.”; and

22 (E) in paragraph (3)(A)(iii), by inserting
23 “the State has not waived under paragraph
24 (2)(C) the reporting requirement with respect



1 to such month under paragraph (2)(B) and if”
2 after “6-month period if”.

3 (2) STATE OPTION TO EXTEND ELIGIBILITY
4 FOR LOW-INCOME INDIVIDUALS FOR UP TO 12 ADDI-
5 TIONAL MONTHS.—Section 1925 of such Act (42
6 U.S.C. 1396r-6) is further amended—

7 (A) by redesignating subsections (c)
8 through (f) as subsections (d) through (g); and
9 (B) by inserting after subsection (b) the
10 following new subsection:

11 “(c) STATE OPTION OF UP TO 12 MONTHS OF ADDI-
12 TIONAL ELIGIBILITY.—

13 “(1) IN GENERAL.—Notwithstanding any other
14 provision of this title, each State plan approved
15 under this title may provide, at the option of the
16 State, that the State shall offer to each family which
17 received assistance during the entire 6-month period
18 under subsection (b) and which meets the applicable
19 requirement of paragraph (2), in the last month of
20 the period the option of extending coverage under
21 this subsection for the succeeding period not to ex-
22 ceed 12 months.

23 “(2) INCOME RESTRICTION.—The option under
24 paragraph (1) shall not be made available to a fam-
25 ily for a succeeding period unless the State deter-



1 mines that the family's average gross monthly earn-
2 ings (less such costs for such child care as is nec-
3 essary for the employment of the caretaker relative)
4 as of the end of the 6-month period under sub-
5 section (b) does not exceed 185 percent of the offi-
6 cial poverty line (as defined by the Office of Man-
7 agement and Budget, and revised annually in ac-
8 cordance with section 673(2) of the Omnibus Budget
9 Reconciliation Act of 1981) applicable to a family of
10 the size involved.

11 “(3) APPLICATION OF EXTENSION RULES.—
12 The provisions of paragraphs (2), (3), (4), and (5)
13 of subsection (b) shall apply to the extension pro-
14 vided under this subsection in the same manner as
15 they apply to the extension provided under sub-
16 section (b)(1), except that for purposes of this
17 subsection—

18 “(A) any reference to a 6-month period
19 under subsection (b)(1) is deemed a reference
20 to the extension period provided under para-
21 graph (1) and any deadlines for any notices or
22 reporting and the premium payment periods
23 shall be modified to correspond to the appro-
24 priate calendar quarters of coverage provided
25 under this subsection; and



1 “(B) any reference to a provision of sub-
2 section (a) or (b) is deemed a reference to the
3 corresponding provision of subsection (b) or of
4 this subsection, respectively.”.

5 (b) STATE OPTION TO WAIVE RECEIPT OF MEDICAID
6 FOR 3 OF PREVIOUS 6 MONTHS TO QUALIFY FOR TMA.—
7 Section 1925(a)(1) of such Act (42 U.S.C. 1396r-6(a)(1))
8 is amended by adding at the end the following: “A State
9 may, at its option, also apply the previous sentence in the
10 case of a family that was receiving such aid for fewer than
11 3 months, or that had applied for and was eligible for such
12 aid for fewer than 3 months, during the 6 immediately
13 preceding months described in such sentence.”.

14 (c) ELIMINATION OF SUNSET FOR TMA.—

15 (1) Subsection (g) of section 1925 of such Act
16 (42 U.S.C. 1396r-6), as redesignated under sub-
17 section (a)(2), is repealed.

18 (2) Section 1902(e)(1) of such Act (42 U.S.C.
19 1396a(e)(1)) is amended by striking “(A)
20 Notwithstanding” and all that follows through
21 “During such period, for” in subparagraph (B) and
22 inserting “For”.

23 (d) CMS REPORT ON ENROLLMENT AND PARTICIPA-
24 TION RATES UNDER TMA.—Section 1925 of such Act, as



1 amended by subsections (a)(2) and (c)(1), is amended by
2 adding at the end the following new subsection:

3 “(g) ADDITIONAL PROVISIONS.—

4 “(1) COLLECTION AND REPORTING OF PARTICI-
5 PATION INFORMATION.—Each State shall—

6 “(A) collect and submit to the Secretary,
7 in a format specified by the Secretary, informa-
8 tion on average monthly enrollment and average
9 monthly participation rates for adults and chil-
10 dren under this section; and

11 “(B) make such information publicly avail-
12 able.

13 Such information shall be submitted under subpara-
14 graph (A) at the same time and frequency in which
15 other enrollment information under this title is sub-
16 mitted to the Secretary. Using such information, the
17 Secretary shall submit to Congress annual reports
18 concerning such rates.”.

19 (e) COORDINATION OF WORK.—Section 1925(g) of
20 such Act, as added by subsection (d), is amended by add-
21 ing at the end the following new paragraph:

22 “(2) COORDINATION WITH ADMINISTRATION
23 FOR CHILDREN AND FAMILIES.—The Administrator
24 of the Centers for Medicare & Medicaid Services, in
25 carrying out this section, shall work with the Assist-



1 ant Secretary for the Administration for Children
2 and Families to develop guidance or other technical
3 assistance for States regarding best practices in
4 guaranteeing access to transitional medical assist-
5 ance under this section.”.

6 (f) ELIMINATION OF TMA REQUIREMENT FOR
7 STATES THAT EXTEND COVERAGE TO CHILDREN AND
8 PARENTS THROUGH 185 PERCENT OF POVERTY.—

9 (1) IN GENERAL.—Section 1925 of such Act is
10 further amended by adding at the end the following
11 new subsection:

12 “(h) PROVISIONS OPTIONAL FOR STATES THAT EX-
13 TEND COVERAGE TO CHILDREN AND PARENTS THROUGH
14 185 PERCENT OF POVERTY.—A State may (but is not re-
15 quired to) meet the requirements of subsections (a) and
16 (b) if it provides for medical assistance under section 1931
17 to families (including both children and caretaker rel-
18 atives) the average gross monthly earning of which (less
19 such costs for such child care as is necessary for the em-
20 ployment of a caretaker relative) is at or below a level that
21 is at least 185 percent of the official poverty line (as de-
22 fined by the Office of Management and Budget, and re-
23 vised annually in accordance with section 673(2) of the
24 Omnibus Budget Reconciliation Act of 1981) applicable
25 to a family of the size involved.”.



1 (2) CONFORMING AMENDMENTS.—Such section
2 is further amended, in subsections (a)(1) and (b)(1),
3 by inserting “, but subject to subsection (h),” after
4 “Notwithstanding any other provision of this title,”
5 each place it appears.

6 (g) EXTENDING USE OF OUTSTATIONED WORKERS
7 TO ACCEPT APPLICATIONS FOR TRANSITIONAL MEDICAL
8 ASSISTANCE.—Section 1902(a)(55) of such Act (42
9 U.S.C. 1396a(a)(55)) is amended by inserting “and under
10 section 1931” after “(a)(10)(A)(ii)(IX)”.

11 (h) EFFECTIVE DATES.—(1) Except as provided in
12 this subsection, the amendments made by this section shall
13 apply to calendar quarters beginning on or after the date
14 of the enactment of this Act, without regard to whether
15 or not final regulations to carry out such amendments
16 have been promulgated by such date.

17 (2) In the case of a State plan for medical assistance
18 under title XIX of the Social Security Act which the Sec-
19 retary of Health and Human Services determines requires
20 State legislation (other than legislation appropriating
21 funds) in order for the plan to meet the additional require-
22 ments imposed by the amendments made by this section,
23 the State plan shall not be regarded as failing to comply
24 with the requirements of such title solely on the basis of
25 its failure to meet these additional requirements before the



1 first day of the first calendar quarter beginning after the
2 close of the first regular session of the State legislature
3 that begins after the date of the enactment of this Act.
4 For purposes of the previous sentence, in the case of a
5 State that has a 2-year legislative session, each year of
6 such session shall be deemed to be a separate regular ses-
7 sion of the State legislature.

8 **SEC. 9. LIMITATIONS ON CONFLICTS OF INTEREST.**

9 (a) **LIMITATION ON CONFLICTS OF INTEREST IN**
10 **MARKETING ACTIVITIES.—**

11 (1) **TITLE XXI.—**Section 2105(e) of the Social
12 Security Act (42 U.S.C. 300aa-5(e)) is amended by
13 adding at the end the following:

14 “(8) **LIMITATION ON EXPENDITURES FOR MAR-**
15 **KETING ACTIVITIES.—**Amounts expended by a State
16 for the use of an administrative vendor in marketing
17 health benefits coverage to low-income children
18 under this title shall not be considered, for purposes
19 of subsection (a)(2)(D), to be reasonable costs to ad-
20 minister the plan unless the following conditions are
21 met with respect to the vendor:

22 “(A) The vendor is independent of any en-
23 tity offering the coverage in the same area of
24 the State in which the vendor is conducting
25 marketing activities.



1 “(B) No person who is an owner, em-
2 ployee, consultant, or has a contract with the
3 vendor either has any direct or indirect finan-
4 cial interest with such an entity or has been ex-
5 cluded from participation in the program under
6 this title or title XVIII or XIX or debarred by
7 any Federal agency, or subject to a civil money
8 penalty under this Act.”.

9 (b) PROHIBITION OF AFFILIATION WITH DEBARRED
10 INDIVIDUALS.—

11 (1) MEDICAID.—Section 1903(i) of the Social
12 Security Act (42 U.S.C. 1396b(i)) is amended—

13 (A) by striking the period at the end of
14 paragraph (20) and inserting “; or”; and

15 (B) by inserting after paragraph (20) the
16 following:

17 “(21) with respect to any amounts expended for
18 an entity that receives payments under the plan
19 unless—

20 “(A) no person with an ownership or con-
21 trol interest (as defined in section 1124(a)(3))
22 in the entity is a person that is debarred, sus-
23 pended, or otherwise excluded from partici-
24 pating in procurement or non-procurement ac-



1 activities under the Federal Acquisition Regula-
2 tion; and

3 “(B) such entity has not entered into an
4 employment, consulting, or other agreement for
5 the provision of items or services that are mate-
6 rial to such entity’s obligations under the plan
7 with a person described in subparagraph (A).”.

8 (2) TITLE XXI.—Section 2107(e)(1) of the So-
9 cial Security Act (42 U.S.C. 1397gg(e)(1)), as
10 amended by section 5(b), is further amended—

11 (A) in subparagraph (B), by striking “and
12 (17)” and inserting “(17), and (21)”; and

13 (B) by adding at the end the following:

14 “(F) Section 1902(a)(67) (relating to pro-
15 hibition of affiliation with debarred individ-
16 uals).”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to expenditures made on or after
19 July 1, 2006, whether or not regulations implementing
20 such amendments have been issued.

21 **SEC. 10. DEMONSTRATION PROGRAMS TO IMPROVE MED-**
22 **ICAID AND CHIP OUTREACH TO HOMELESS**
23 **INDIVIDUALS AND FAMILIES.**

24 (a) AUTHORITY.—The Secretary of Health and
25 Human Services may award demonstration grants to not



1 more than 7 States (or other qualified entities) to conduct
2 innovative programs that are designed to improve out-
3 reach to homeless individuals and families under the pro-
4 grams described in subsection (b) with respect to enroll-
5 ment of such individuals and families under such pro-
6 grams and the provision of services (and coordinating the
7 provision of such services) under such programs.

8 (b) PROGRAMS FOR HOMELESS DESCRIBED.—The
9 programs described in this subsection are as follows:

10 (1) MEDICAID.—The program under title XIX
11 of the Social Security Act (42 U.S.C. 1396 et seq.).

12 (2) CHIP.—The program under title XXI of
13 the Social Security Act (42 U.S.C. 1397aa et seq.).

14 (3) TANF.—The program under part of A of
15 title IV of the Social Security Act (42 U.S.C. 601
16 et seq.).

17 (4) SAMHSA BLOCK GRANTS.—The program
18 of grants under part B of title XIX of the Public
19 Health Service Act (42 U.S.C. 300x-1 et seq.).

20 (5) FOOD STAMP PROGRAM.—The program
21 under the Food Stamp Act of 1977 (7 U.S.C. 2011
22 et seq.).

23 (6) WORKFORCE INVESTMENT ACT.—The pro-
24 gram under the Workforce Investment Act of 1999
25 (29 U.S.C. 2801 et seq.).



1 (7) WELFARE-TO-WORK.—The welfare-to-work
2 program under section 403(a)(5) of the Social Secu-
3 rity Act (42 U.S.C. 603(a)(5)).

4 (8) OTHER PROGRAMS.—Other public and pri-
5 vate benefit programs that serve low-income individ-
6 uals.

7 (c) APPROPRIATIONS.—For the purposes of carrying
8 out this section, there is appropriated for fiscal year 2006,
9 out of any funds in the Treasury not otherwise appro-
10 priated, \$10,000,000, to remain available until expended.

11 **SEC. 11. ADDITIONAL CHIP REVISIONS.**

12 (a) LIMITING COST-SHARING TO 2.5 PERCENT FOR
13 FAMILIES WITH INCOME BELOW 150 PERCENT OF POV-
14 ERTY.—Section 2103(e)(3)(A) of the Social Security Act
15 (42 U.S.C. 1397ec(e)(3)(A)) is amended—

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

17 (2) by striking the period at the end of clause
18 (ii) and inserting “; and”; and

19 (3) by adding at the end the following new
20 clause:

21 “(iii) total annual aggregate cost-
22 sharing described in clauses (i) and (ii)
23 with respect to all such targeted low-in-
24 come children in a family under this title



1 that exceeds 2.5 percent of such family's
2 income for the year involved.”.

3 (b) EMPLOYER COVERAGE WAIVER CHANGES.—Sec-
4 tion 2105(c)(3) of such Act (42 U.S.C. 1397ee(c)(3)) is
5 amended—

6 (1) by redesignating subparagraphs (A) and
7 (B) as clauses (i) and (ii) and indenting appro-
8 priately;

9 (2) by designating the matter beginning with
10 “Payment may be made” as a subparagraph (A)
11 with the heading “IN GENERAL” and indenting ap-
12 propriately; and

13 (3) by adding at the end the following new sub-
14 paragraph:

15 “(B) APPLICATION OF REQUIREMENTS.—

16 In carrying out subparagraph (A)—

17 “(i) in determining cost-effectiveness,
18 the Secretary shall measure against family
19 coverage costs to the extent that a State
20 has expanded coverage to parents pursuant
21 to section 2111;

22 “(ii) subject to clause (iii), the State
23 shall provide satisfactory assurances that
24 the minimum benefits and cost-sharing
25 protections established under this title are

1 provided, either through the coverage
2 under subparagraph (A) or as a supple-
3 ment to such coverage; and

4 “(iii) coverage under such subpara-
5 graph shall not be considered to violate
6 clause (ii) because it does not comply with
7 requirements relating to reviews of health
8 service decisions if the enrollee involved is
9 provided the option of being provided bene-
10 fits directly under this title.”.

11 (c) **EFFECTIVE DATE.**—The amendments made by
12 this section apply as of January 1, 2006, whether or not
13 regulations implementing such amendments have been
14 issued.

15 **SEC. 12. INCREASED FEDERAL REIMBURSEMENT FOR LAN-**
16 **GUAGE SERVICES UNDER THE MEDICAID**
17 **PROGRAM AND TITLE XXI.**

18 (a) **MEDICAID.**—Section 1903(a)(3) of the Social Se-
19 curity Act (42 U.S.C. 1396b(a)(3)) is amended—

20 (1) in subparagraph (D), by striking “plus” at
21 the end and inserting “and”; and

22 (2) by adding at the end the following:

23 “(E) 90 percent of the sums expended with
24 respect to costs incurred during such quarter as
25 are attributable to the provision of language



1 services, including oral interpretation, trans-
2 lations of written materials, and other language
3 services, for individuals with limited English
4 proficiency who apply for, or receive, medical
5 assistance under the State plan; plus”.

6 (b) SCHIP.—Section 2105(a)(1) of the Social Secu-
7 rity Act (42 U.S.C.1397ee(a)) is amended—

8 (1) in the matter preceding subparagraph (A),
9 by inserting “or, in the case of expenditures de-
10 scribed in subparagraph (D)(iv), 90 percent” after
11 “enhanced FMAP”; and

12 (2) in subparagraph (D)—

13 (A) in clause (iii), by striking “and” at the
14 end;

15 (B) be redesignating clause (iv) as clause
16 (v); and

17 (C) by inserting after clause (iii) the fol-
18 lowing:

19 “(iv) for expenditures attributable to
20 the provision of language services, includ-
21 ing oral interpretation, translations of
22 written materials, and other language serv-
23 ices, for individuals with limited English
24 proficiency who apply for, or receive, child
25 health assistance under the plan; and”.



1 (e) EFFECTIVE DATE.—The amendments made by
2 this section take effect on January 1, 2006.

