

[DISCUSSION DRAFT]

114TH CONGRESS
1ST SESSION **H. R./S.** _____

To extend the State Children’s Health Insurance Program under title XXI of the Social Security Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES/SENATE
OF THE UNITED STATES

M____. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To extend the State Children’s Health Insurance Program under title XXI of the Social Security Act, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “_____ Act of 2015”.

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

Sec. 1. Short title; table of contents.

- Sec. 2. Extend SCHIP funding and retain current allotment funding formula.
- Sec. 3. Give States flexibility to move kids into SCHIP.
- Sec. 4. Saving taxpayer dollars while preserving high-quality coverage for children.
- Sec. 5. Reclaiming SCHIP’s mission of serving low-income families.
- Sec. 6. Normalizing the E-FMAP for certain services for ESL populations.
- Sec. 7. Extending the qualifying states option.
- Sec. 8. Giving States more flexibility by ending restrictive maintenance-of-effort mandates.
- Sec. 9. Giving States more tools to reduce the crowd-out of private coverage.
- Sec. 10. Exempt State-Funded SCHIP-Equivalent coverage from individual mandate.
- Sec. 11. Reaffirming the State-Based nature of the program.
- Sec. 12. Reducing Medicaid and CHIP fraud in the territories of the United States.

1 **SEC. 2. EXTEND SCHIP FUNDING AND RETAIN CURRENT AL-**
2 **LOTMENT FUNDING FORMULA.**

3 *【Based on feedback from state governors and a broad*
4 *array of stakeholders, we believe the mechanics and tech-*
5 *nical details of the current allotment formula are working*
6 *well. We are requesting feedback on the duration of the ex-*
7 *tension of CHIP funding through the allotments.】*

8 **SEC. 3. GIVE STATES FLEXIBILITY TO MOVE KIDS INTO**
9 **SCHIP.**

10 Section 1902(l)(2)(C) of the Social Security Act (42
11 U.S.C. 1396a(l)(2)(C)) is amended by striking “beginning
12 January 1, 2014,” and inserting “for the period beginning
13 on January 1, 2014, and ending on September 30, 2015,”.

14 **SEC. 4. SAVING TAXPAYER DOLLARS WHILE PRESERVING**
15 **HIGH-QUALITY COVERAGE FOR CHILDREN.**

16 Section 2105(b) of the Social Security Act (42 U.S.C.
17 1397ee(b)) is amended by striking “Notwithstanding the

1 preceding sentence,” and all that follows through “section
2 1905(b).”.

3 **SEC. 5. RECLAIMING SCHIP’S MISSION OF SERVING LOW-IN-**
4 **COME FAMILIES.**

5 Section 2105(c) of the Social Security Act (42 U.S.C.
6 1397ee(c)) is amended by adding at the end the following
7 paragraphs:

8 “(12) LIMITATION ON MATCHING RATE FOR EX-
9 PENDITURES FOR CHILD HEALTH ASSISTANCE PRO-
10 VIDED TO CHILDREN WHOSE FAMILY INCOME EX-
11 CEEDS 250 PERCENT OF THE POVERTY LINE.—For
12 fiscal years beginning with fiscal year 2016, the
13 Federal medical assistance percentage (as deter-
14 mined under section 1905(b) without regard to
15 clause (4) of such section) shall be substituted for
16 the enhanced FMAP under subsection (a)(1) with
17 respect to any expenditures for providing child
18 health assistance or health benefits coverage for a
19 child whose family income exceeds 250 percent of
20 the poverty line but does not exceed 300 percent of
21 the poverty line.

22 “(13) NO FEDERAL MATCHING FOR EXPENDI-
23 TURES FOR CHILD HEALTH ASSISTANCE PROVIDED
24 TO CHILDREN WHOSE FAMILY INCOME EXCEEDS 300
25 PERCENT OF THE POVERTY LINE.—For fiscal years

1 beginning with fiscal year 2016, payment shall not
2 be made to a State under this section with respect
3 to any expenditures for providing child health assist-
4 ance or health benefits coverage for a child whose
5 family income exceeds 300 percent of the poverty
6 line.”.

7 **SEC. 6. NORMALIZING THE E-FMAP FOR CERTAIN SERVICES**
8 **FOR ESL POPULATIONS.**

9 Section 2105(a)(1) of the Social Security Act (42
10 U.S.C. 1397ee(a)(1)) is amended by inserting “for any
11 quarter before the first quarter of fiscal year 2016” after
12 “subparagraph (D)(iv)”.

13 **SEC. 7. EXTENDING THE QUALIFYING STATES OPTION.**

14 Section 2105(g)(4) of the Social Security Act (42
15 U.S.C. 1397ee(g)(4)) is amended—

16 (1) in the paragraph heading, by striking
17 “2015” and inserting “[_____]”;

18 (2) in subparagraph (A), by striking “2015”
19 and inserting “[_____]”; and

20 (3) in subparagraph (B), by striking “the Med-
21 icaid applicable income level” and inserting “for fis-
22 cal years 2009 through 2015, the Medicaid applica-
23 ble income level, and for fiscal years [_____],
24 250 percent of the poverty line”.

1 **SEC. 8. GIVING STATES MORE FLEXIBILITY BY ENDING RE-**
2 **STRICTIVE MAINTENANCE-OF-EFFORT MAN-**
3 **DATES.**

4 (a) MEDICAID.—

5 (1) IN GENERAL.—Section 1902(gg)(2) of the
6 Social Security Act (42 U.S.C. 1396a(gg)(2)) is
7 amended—

8 (A) in the paragraph heading, by striking
9 “2019” and inserting “2015”; and

10 (B) by striking “2019” and inserting
11 “2015”.

12 (2) CONFORMING AMENDMENT.—Section
13 1902(a)(74) of the Social Security Act (42 U.S.C.
14 1396a(a)(74)) is amended by inserting “for any cal-
15 endar quarter before the first quarter of 2016,” be-
16 fore “provide for maintenance of effort”.

17 (b) CHIP.—Section 2105(d) of the Social Security
18 Act (42 U.S.C. 1397ee(d)) is amended—

19 (1) in paragraph (1), by striking “No payment”
20 and inserting “For any quarter before the first
21 quarter of fiscal year 2016, no payment”;

22 (2) in paragraph (2)(A), in the matter pre-
23 ceding clause (i), by inserting “and ending with fis-
24 cal year 2015” after “fiscal year 1999”; and

25 (3) in paragraph (3)—

1 (A) in the paragraph heading, by striking
2 “2019” and inserting “2015”; and

3 (B) in subparagraph (A), in the matter
4 preceding clause (i), by striking “2019” and in-
5 serting “2015”.

6 **SEC. 9. GIVING STATES MORE TOOLS TO REDUCE THE**
7 **CROWD-OUT OF PRIVATE COVERAGE.**

8 Section 2102(b) of the Social Security Act (42 U.S.C.
9 1397bb(b)(1)(B)) is amended by adding at the end the
10 following new paragraph:

11 “(6) LIMITED WAITING PERIOD ALLOWED.—
12 Beginning with fiscal year 2016, for purposes of car-
13 rying out paragraph (3)(C), a State may apply a
14 waiting period in the case of any individual eligible
15 to receive child health assistance under the State
16 child health plan (other than a targeted low-income
17 pregnant woman provided pregnancy-related assist-
18 ance under section 2112 or a child provided dental-
19 only supplemental coverage under section
20 2110(b)(5)) of not more than 12 months beginning
21 on the date the individual declined an offer of, or
22 disenrolled from, group health insurance coverage.”.

1 **SEC. 10. EXEMPT STATE-FUNDED SCHIP-EQUIVALENT COV-**
2 **ERAGE FROM INDIVIDUAL MANDATE.**

3 (a) IN GENERAL.—Section 5000A(f)(1) of the Inter-
4 nal Revenue Code of 1986 is amended in subparagraph
5 (A)(iii), by inserting “or under an SCHIP equivalent pro-
6 gram” before the comma at the end.

7 (b) SCHIP EQUIVALENT PROGRAM DEFINED.—Sec-
8 tion 5000A(f) of the Internal Revenue Code of 1986 is
9 amended by adding at the end the following new para-
10 graph:

11 “(6) SCHIP EQUIVALENT PROGRAM.—In this
12 subsection, the term ‘SCHIP equivalent program’
13 means a State program under which the State, using
14 funds other than Federal funds, provides for chil-
15 dren under the age of 19 coverage that provides ben-
16 efits that are at least equivalent to the benefits pro-
17 vided under the State child health plan of the
18 State.”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply with respect to taxable years begin-
21 ning after December 31, 2013.

22 **SEC. 11. REAFFIRMING THE STATE-BASED NATURE OF THE**
23 **PROGRAM.**

24 The Secretary of Health and Human Services or any
25 other Federal officer or employee, with respect to any ref-
26 erence to the program under title XXI of the Social Secu-

1 rity Act (42 U.S.C. 1397aa et seq.) in any publication or
2 other official communication, shall use—

3 (1) the term “SCHIP” instead of the term
4 “CHIP”; and

5 (2) the term “State children’s health insurance
6 program” instead of the term “children’s health in-
7 surance program”.

8 **SEC. 12. REDUCING MEDICAID AND CHIP FRAUD IN THE**
9 **TERRITORIES OF THE UNITED STATES.**

10 Section 1108(g)(4) of the Social Security Act (42
11 U.S.C. 1308(g)(4)) is amended—

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

14 (2) by adding at the end the following: “With
15 respect to fiscal years beginning with fiscal year
16 2016, if Puerto Rico, the Virgin Islands, Guam, the
17 Northern Mariana Islands, or American Samoa
18 qualify for a payment under paragraph (6) of sec-
19 tion 1903(a) for a calendar quarter of such fiscal
20 year, the payment shall not be taken into account in
21 applying subsection (f) (as increased in accordance
22 with paragraphs (1), (2), (3), and (5) of this sub-
23 section) to such commonwealth or territory for such
24 fiscal year.”.