

110TH CONGRESS
1ST SESSION

H. R. 1688

To amend the Social Security Act to provide health insurance coverage for children and pregnant women throughout the United States by combining the children and pregnant woman health coverage under Medicaid and SCHIP into a new All Healthy Children Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 2007

Mr. SCOTT of Virginia introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Social Security Act to provide health insurance coverage for children and pregnant women throughout the United States by combining the children and pregnant woman health coverage under Medicaid and SCHIP into a new All Healthy Children 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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS; FINDINGS;**

2 **PURPOSE.**

3 (a) **SHORT TITLE.**—This Act may be cited as the “All
4 Healthy Children Act of 2007”.

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

Sec. 1. Short title; table of contents; findings; purpose.

Sec. 2. Creation of new title XXII of the Social Security Act.

“TITLE XXII—ALL HEALTHY CHILDREN PROGRAM

“Sec. 2201. All Healthy Children Program.

“Sec. 2202. General contents of State all healthy children plan; eligibility;
enrollment.

“Sec. 2203. Benefits; premiums; cost-sharing; provider payment rates.

“Sec. 2204. Payments to States.

“Sec. 2205. Application of SCHIP, medicaid and related SSA provisions;
waivers; administration.

“Sec. 2206. Definitions.

“Sec. 2207. Effective dates; transition.

Sec. 3. Commission on Children’s Health Coverage.

7 (c) **FINDINGS.**—Congress finds the following:

8 (1) More than nine million children in the
9 United States—one in nine—have no health insur-
10 ance coverage.

11 (2) Every 46 seconds, another baby is born un-
12 insured in the United States.

13 (3) Existing health care programs for low-in-
14 come children vary widely, with different standards
15 for eligibility, cost sharing, and benefits in each of
16 the 50 States and the District of Columbia.

17 (4) The majority of uninsured children are eli-
18 gible for coverage under Medicaid or the State Chil-
19 dren’s Health Insurance Program (SCHIP), but are

1 not enrolled in existing programs because of dif-
2 ferent eligibility and enrollment barriers that make
3 it difficult to obtain or keep coverage.

4 (5) Millions more children are underinsured or
5 at risk of losing coverage if their parents change
6 jobs or more employers drop family coverage.

7 (6) Uninsured children are almost 12 times as
8 likely as insured children to have an untreated med-
9 ical need and are four times as likely as insured chil-
10 dren to have an unmet dental need.

11 (7) Uninsured children are more than five times
12 as likely as insured children to have gone more than
13 two years without a doctor visit.

14 (8) The majority of uninsured children live in
15 two-parent households and almost 90 percent live in
16 families where at least one parent works.

17 (9) An estimated two-thirds of children and
18 adolescents with mental health needs are not getting
19 the care they need and only one in five children with
20 serious emotional disturbances receives specialized
21 treatment.

22 (10) It costs less to provide health insurance
23 coverage to children than to any other group of peo-
24 ple.

1 (11) Increases in private health insurance costs
2 are dramatically outpacing increases in wages.

3 (12) The United States spending on health care
4 per person is more than twice the average spent in
5 industrialized countries, yet the United States ranks
6 near the bottom among those countries in infant
7 mortality rates.

8 (13) Children enrolled in a health coverage pro-
9 gram experienced significant improvements in health
10 after just one year and significant decreases of limi-
11 tations in their daily activities.

12 (14) Enrollment in health insurance has been
13 associated with improvements in school.

14 (15) When juvenile offenders arrested for minor
15 offenses had access to intensive and coordinated
16 mental health services, more than a third fewer were
17 re-arrested the following year, compared to those
18 who only had access to basic mental health services.

19 (d) PURPOSE.—It is the purpose of this Act to sim-
20 plify and consolidate children’s health coverage under
21 Medicaid and SCHIP into a single program that guaran-
22 tees children in all 50 States and the District of Columbia
23 all medically necessary services.

1 **SEC. 2. CREATION OF NEW TITLE XXII OF THE SOCIAL SE-**
2 **CURITY ACT.**

3 (a) IN GENERAL.—The Social Security Act is amend-
4 ed by adding at the end the following new title:

5 **“TITLE XXII—ALL HEALTHY**
6 **CHILDREN PROGRAM**

7 **“SEC. 2201. ALL HEALTHY CHILDREN PROGRAM.**

8 “(a) IN GENERAL.—There is established under this
9 title a State-operated program receiving Federal financial
10 assistance to provide comprehensive health coverage for
11 children and pregnant and post-partum women in place
12 of benefits previously provided for children and pregnant
13 and post-partum women under the Medicaid program
14 under title XIX and the State Children’s Health Insurance
15 Program under title XXI.

16 “(b) STATE ALL HEALTHY CHILDREN PLAN RE-
17 QUIRED.—A State is not eligible for payment under sec-
18 tion 2204 unless the State has submitted to the Secretary
19 under section 2202 a plan that—

20 “(1) sets forth how the State intends to use the
21 funds provided under this title to provide all healthy
22 children assistance to uninsured children and preg-
23 nant women consistent with the provisions of this
24 title, and

25 “(2) has been approved under section 2202.

1 “(c) STATE AND INDIVIDUAL ENTITLEMENT.—This
2 title constitutes budget authority in advance of appropria-
3 tions Acts and represents the obligation of the Federal
4 Government to provide for the payment to States of
5 amounts provided under section 2204. Each individual
6 who is an all healthy children eligible individual and who
7 qualifies for benefits under this title has an entitlement
8 to such benefits in accordance with this title.

9 “(d) PRIVATE RIGHT OF ACTION.—

10 “(1) IN GENERAL.—Any person aggrieved by a
11 violation of this title or a failure of an individual or
12 entity, including a State or Federal agency, to com-
13 ply with the provisions of this title, including any
14 regulation promulgated pursuant to this title, may
15 bring a civil action in any Federal district court, re-
16 gardless of amount in controversy, or State court of
17 competent jurisdiction to enforce such person’s
18 rights.

19 “(2) NO EXCLUSION OF OTHER REMEDIES.—
20 The availability of a private right of action under
21 this subsection shall not be construed to preclude
22 the ability of any person aggrieved to obtain relief
23 for a violation of this title or a failure of an indi-
24 vidual or entity to comply with the provision of this
25 title, or any regulations promulgated pursuant to

1 this title, under any other applicable statute or other
2 basis for relief.

3 “(3) RELIEF.—In an action under this sub-
4 section, the court may award all relief allowed by
5 law, including but not limited to compensatory and
6 exemplary damages and injunctive relief, and attor-
7 neys’ fees and court costs.

8 “(4) PERSON AGGRIEVED DEFINED.—In this
9 subsection, the term ‘person aggrieved’ includes a
10 child or individual entitled to benefits under this
11 title, the parent or guardian of such child, a provider
12 of services to children or other individuals entitled to
13 such benefits, or an association or other entity
14 whose mission is to ensure that children or pregnant
15 and post-partum women receive adequate health care
16 services.

17 “(e) EFFECTIVE DATE.—No State is eligible for pay-
18 ments under section 2204 for all healthy children assist-
19 ance for coverage provided for periods beginning before
20 October 1, 2008.

21 **“SEC. 2202. GENERAL CONTENTS OF STATE ALL HEALTHY**
22 **CHILDREN PLAN; ELIGIBILITY; ENROLLMENT.**

23 “(a) GENERAL CONTENTS.—A State all healthy chil-
24 dren plan shall include a description, consistent with the
25 requirements of this title, of—

1 “(1) the all healthy children assistance provided
2 under the plan for all healthy children eligible indi-
3 viduals, including the proposed methods of delivery
4 and utilization control systems;

5 “(2) eligibility standards consistent with sub-
6 section (b);

7 “(3) enrollment and outreach activities con-
8 sistent with subsection (c); and

9 “(4) methods (including monitoring) used—

10 “(A) to assure the quality and appropriate-
11 ness of care, particularly with respect to pre-
12 natal care, well-baby care, well-child care, and
13 immunizations provided under the plan, and

14 “(B) to assure access to all medically nec-
15 essary health care services, including emergency
16 services.

17 “(b) ELIGIBILITY STANDARDS AND METHOD-
18 OLOGY.—

19 “(1) IN GENERAL.—The all healthy children
20 plan for a State shall provide that all of the fol-
21 lowing are all healthy children eligible individuals if
22 they are residents:

23 “(A) FULL SUBSIDY INDIVIDUALS.—

24 “(i) All children under age 19 whose
25 family income does not exceed 300 percent

1 of the poverty line (as defined in section
2 2110(c)(5)).

3 “(ii) All pregnant and post-partum
4 women whose family income does not ex-
5 ceed 300 percent of the poverty line.

6 “(iii) All children under age 19 and
7 pregnant and post-partum women who
8 would have qualified for medical assistance
9 under title XIX (as applied in the State as
10 of October 1, 2005).

11 “(iv) All children who are meet the re-
12 quirements of subparagraphs (A) and (B)
13 of section 1905(w)(1) (relating to inde-
14 pendent foster care adolescents).

15 “(B) TRANSITIONAL ASSISTANCE.—An in-
16 dividual who loses eligibility as an individual de-
17 scribed in subparagraph (A) because of an in-
18 crease in family income, but only during the 3-
19 month period beginning with the first month in
20 which such eligibility is lost. Cost-sharing for
21 transition coverage may not exceed the amounts
22 the State plan charged for such individual be-
23 fore receiving transitional assistance.

24 “(C) BUY-IN ELIGIBLE INDIVIDUALS.—In-
25 dividuals who, but for the amount of family in-

1 come, would be an individual described in sub-
2 paragraph (A) and who are not described in
3 subparagraph (B) if they meet such terms and
4 conditions as the Secretary determines appro-
5 priate.

6 “(2) RESIDENCY REQUIREMENT.—For purposes
7 of this title, an individual is a resident of a State if
8 the individual is present in the State with intent to
9 remain, and includes any individual who would be
10 treated as such a resident under title XIX (as in ef-
11 fect as of January 1, 2007).

12 “(3) POST-PARTUM WOMAN DEFINED.—In this
13 title, the term ‘post-partum woman’ means a woman
14 during the period beginning on the date of comple-
15 tion of pregnancy and ending on the last day of the
16 first month that ends at least 60 days after such
17 date.

18 “(4) INCOME METHODOLOGY.—The method-
19 ology for determining income under a State all
20 healthy children plan shall not be more restrictive
21 than the income methodology described in section
22 1931(b)(1)(B), to the extent such methodology is
23 consistent with the requirements of section
24 1902(a)(17).

1 “(5) NO ASSET TEST.—The State plan may not
2 impose any asset or resource test for eligibility.

3 “(6) CONSTRUCTION.—Nothing in this title
4 shall be construed as preventing a State from cov-
5 ering individuals (such as individuals who are 19 or
6 20 years of age) who are not all healthy children eli-
7 gible individuals under title XIX.

8 “(7) EXCLUSION OF PUBLIC BENEFIT DEFINI-
9 TION.—The benefits provided under this title shall
10 not be deemed to constitute a Federal or State pub-
11 lic benefit within the meaning of title IV of the Per-
12 sonal Responsibility and Work Opportunity Rec-
13 onciliation Act of 1996 (Public Law 104–193) nor
14 shall any documentation of citizenship be required
15 for the purpose of securing benefits under this title.

16 “(8) SPECIAL RULES FOR TERRITORIES.—In
17 the case of States that are not one of the 50 states
18 or the District of Columbia, the Secretary may, by
19 regulation, adjust the income eligibility levels set
20 forth in this title, taking into account factors such
21 as average income, costs of living, and availability of
22 health care coverage in a manner that assures equi-
23 table access to health coverage for children and
24 pregnant and post-partum women residing in such
25 States.

1 “(c) ENROLLMENT.—

2 “(1) STREAMLINED ENROLLMENT SYSTEM.—

3 Each State plan shall provide for a system of
4 streamlined enrollment that includes the following
5 (as specified by the Secretary):

6 “(A) A simple, short application form
7 translated into multiple languages.

8 “(B) Applicant self-attestation of eligi-
9 bility, subject to verification, random audits, or
10 both.

11 “(C) The option for applications to be sub-
12 mitted in-person, on-line, by mail, or as part of
13 applications for other programs.

14 “(D) Automatic enrollment, as provided
15 under paragraph (2).

16 “(E) 12-month continuous eligibility for
17 children.

18 “(F) Presumptive eligibility during an in-
19 terim period of coverage for individuals who ap-
20 pear to qualify for assistance under this title,
21 on the basis of preliminary information.

22 “(G) A determination of continued eligi-
23 bility at the end of an individual’s eligibility pe-
24 riod, based on all data available to the State. If
25 such determination cannot be made, the indi-

1 individual or family shall be contacted for addi-
2 tional information, but only to the extent such
3 information is not available to State officials
4 from other sources. The family shall be notified
5 of all determinations and findings and given an
6 opportunity to contest and appeal them. An in-
7 dividual's eligibility shall continue until the re-
8 determination process is complete.

9 “(2) AUTOMATIC ENROLLMENT PROCEDURES.—

10 “(A) IN GENERAL.—The automatic enroll-
11 ment procedures under this paragraph shall in-
12 clude enrollment of any all healthy children eli-
13 gible individual at the following points, unless
14 the individual (or parent or guardian on the in-
15 dividual's behalf) affirmatively declines such en-
16 rollment:

17 “(i) Unless the individual otherwise
18 establishes enrollment in health benefits
19 plan or coverage, at the point of a final de-
20 termination—

21 “(I) of individual's eligibility to
22 participate in any federally-funded,
23 means-tested program, regardless of
24 any differences between the program's
25 eligibility or income methodology and

1 those otherwise used under this title,
2 or

3 “(II) that, based on the income
4 determinations made as part of such
5 eligibility determination, the indi-
6 vidual is eligible to participate under
7 this title.

8 “(ii) Birth of a child in the United
9 States.

10 “(iii) Assignment of a social security
11 account number for a child.

12 “(iv) A visit with any health care pro-
13 vider eligible to participate in the program
14 established under this title.

15 “(v) Enrollment in any public elemen-
16 tary or secondary school within the State
17 or any other elementary or secondary
18 school subject to mandatory immunization
19 requirements.

20 “(vi) Enrollment in a publicly-sub-
21 sidized child care program.

22 “(vii) Upon discharge of a child from
23 a public institution or other institution
24 where the child has been confined.

1 “(viii) Such other points of enrollment
2 as the State or Secretary may establish.

3 For purposes of this subparagraph, the term
4 ‘federally-funded, means-tested program’ in-
5 cludes the National School Lunch Program
6 under the Richard B. Russell National School
7 Lunch Act (42 U.S.C. 1751 et seq.), the Food
8 Stamp Program under the Food Stamp Act of
9 1977, the special supplemental nutrition pro-
10 gram for women, infants, and children (WIC)
11 under section 17 of the Child Nutrition Act of
12 1966 (42 U.S.C. 1786), subsidized child care
13 under the Child Care Development Block Grant
14 Act of 1990 (42 U.S.C. 9858 et seq.), programs
15 carried out under the Head Start Act (42
16 U.S.C. 9831 et seq.), and other means-tested
17 programs designated by the Secretary.

18 “(B) OPERATION OF AUTOMATIC ENROLL-
19 MENT.—

20 “(i) IN GENERAL.—In the case of
21 automatic enrollment under subparagraph
22 (A)—

23 “(I) the enrolled individual (or
24 parents or guardians of such indi-
25 vidual) shall be advised of the level of

1 premiums and cost-sharing applicable
2 consistent with section 2203 and the
3 fact that enrollment is conditioned
4 upon payment of any applicable pre-
5 miums; and

6 “(II) the failure to pay any ini-
7 tial applicable premiums shall be
8 treated as an affirmative rejection of
9 coverage.

10 “(ii) NOTICE.—The State plan shall
11 implement effective procedures, consistent
12 with the Secretary’s guidelines, for ensur-
13 ing that—

14 “(I) auto-enrolled individuals (or
15 their parents or guardians) under-
16 stand their right to decline the cov-
17 erage made available through auto-en-
18 rollment; and

19 “(II) after enrollment, they re-
20 ceive confirmation of coverage and in-
21 formation on benefits.

22 “(iii) EQUAL TREATMENT.—A State
23 plan shall implement effective procedures
24 to ensure that individuals covered through
25 auto-enrollment do not receive fewer serv-

1 ices, on average, than do similar individ-
2 uals enrolled through other means.

3 “(iv) INFORMATION SHARING.—Each
4 State shall develop the information tech-
5 nology infrastructure needed for automated
6 transmission and analysis of data involving
7 means-tested programs referred to in sub-
8 paragraph (A) and other sources of data
9 pertinent to eligibility under this title, in-
10 cluding State and Federal income tax
11 records and information contained in the
12 National Directory of New Hires. Con-
13 sistent with standards developed by the
14 Secretary, the State shall implement effec-
15 tive safeguards that protect the confiden-
16 tiality of such data and limit its use to the
17 effective administration of this title, includ-
18 ing an identification of potentially eligible
19 individuals not enrolled in the State plan
20 as well as eligibility verification.

21 “(3) OUTREACH.—Each State plan shall pro-
22 vide for a system for culturally and linguistically
23 competent outreach to families of potentially eligible
24 individuals, which shall—

1 “(A) be fully accessible to those whose
2 ability to communicate is affected by disability;
3 and

4 “(B) incorporate proactive communication
5 (via telephone or in-person visits) to such fami-
6 lies, consumer education, a preliminary or final
7 eligibility determination, and enrollment com-
8 pleted within a single encounter, whenever pos-
9 sible, and proactive follow-up, when necessary.

10 “(d) AVOIDING CROWD-OUT AND COORDINATION
11 WITH OTHER HEALTH COVERAGE PROGRAMS.—

12 “(1) IN GENERAL.—The State plan shall in-
13 clude a description of procedures, consistent with
14 this subsection, to be used to ensure—

15 “(A) that benefits provided under the
16 State all healthy children plan do not substitute
17 for coverage under group health plans;

18 “(B) the provision of all healthy children
19 assistance to all healthy children eligible indi-
20 viduals in the State who are Indians (as defined
21 in section 4(c) of the Indian Health Care Im-
22 provement Act, 25 U.S.C. 1603(c)); and

23 “(C) coordination with other public and
24 private programs providing creditable coverage
25 for low-income children and pregnant women.

1 “(2) GROUP HEALTH PLAN COVERAGE PER-
2 MITTED.—Notwithstanding paragraph (1)(A), a
3 State plan may not deny enrollment under this title
4 in the case of any of the following individuals or cir-
5 cumstances:

6 “(A) The individual would have qualified
7 for medical assistance under title XIX under
8 State law as in effect on October 1, 2005.

9 “(B) The individual has family income that
10 does not exceed 150 percent of the poverty line.

11 “(C) The individual’s enrollment under a
12 group health plan—

13 “(i) ended more than four months be-
14 fore applying for enrollment under this
15 title; or

16 “(ii) was involuntarily terminated be-
17 cause of the death of a parent, job loss, or
18 other circumstance.

19 “(D) Other than for the subsidies de-
20 scribed in section 2203(b)(2)(B) (in the case of
21 all healthy children eligible individuals with
22 family income that exceeds 300 percent of the
23 poverty line), the failure of a parent or other in-
24 dividual (other than the enrollee) to enroll the

1 all healthy children eligible individual in an
2 available group health plan.

3 “(3) SUPPLEMENTAL COVERAGE.—

4 “(A) IN GENERAL.—In the case of an all
5 healthy children eligible individual who is en-
6 rolled in a group health plan, the State plan—

7 “(i) must provide full supplemental
8 coverage (described in subparagraph (B))
9 if—

10 “(I) the individual would have
11 qualified for supplemental coverage
12 under title XIX under State law as in
13 effect on October 1, 2005; or

14 “(II) the individual is disabled
15 (as defined for purposes of the supple-
16 mental security income program
17 under title XVI); and

18 “(ii) may provide some or all of such
19 coverage to other healthy children eligible
20 individuals (or to reasonable classifications
21 of such individuals, as specified under the
22 State plan).

23 “(B) FULL SUPPLEMENTAL COVERAGE DE-
24 SCRIBED.—Full supplemental coverage de-

1 scribed in this subparagraph includes the fol-
2 lowing:

3 “(i) Benefits covered by the State
4 plan that are outside the scope of benefits
5 offered under the group health plan.

6 “(ii) Reimbursement of families’ pre-
7 mium payments under the group health
8 plan for all healthy children eligible indi-
9 viduals so that costs do not exceed levels
10 otherwise permitted by the State plan.

11 “(iii) Coverage of out-of-pocket costs
12 incurred under the group health plan
13 where such coverage prevents those costs
14 from exceeding the levels otherwise per-
15 mitted under the State plan.

16 “(e) ASSISTANCE FOR CHILDREN WHO AGE OUT OF
17 ASSISTANCE.—The State plan shall provide assistance in
18 obtaining health benefits to individuals who lose eligibility
19 under this title because of age.

20 “(f) EMERGENCY COVERAGE.—When an all healthy
21 children eligible individual enrolled in a State plan in one
22 State moves to another State because of natural disaster
23 or other reasons, the individual shall receive immediate
24 and automatic presumptive eligibility under this title in
25 the State to which the individual moves.

1 **“SEC. 2203. BENEFITS; PREMIUMS; COST-SHARING; PRO-**
2 **VIDER PAYMENT RATES.**

3 “(a) BENEFITS.—

4 “(1) IN GENERAL.—The all healthy children as-
5 sistance under this title shall include benefits for all
6 medically necessary health care, including early and
7 periodic screening, diagnostic, and treatment serv-
8 ices (as defined in section 1905(r)) consistent with
9 the requirements of section 1902(a)(43).

10 “(2) BENEFIT PROTECTIONS.—The State plan
11 shall provide for all benefit protections for all
12 healthy children eligible individuals that would oth-
13 erwise have applied under title XIX if such individ-
14 uals were entitled to medical assistance under such
15 title, including the application of no preexisting ex-
16 clusion.

17 “(b) PREMIUMS.—Subject to subsection (d)—

18 “(1) NO PREMIUM FOR LOWER-INCOME INDI-
19 VIDUALS.—For all healthy children eligible individ-
20 uals described in subparagraph (A) or (B) of section
21 2202(b)(1), there shall be no premium imposed for
22 coverage under this title.

23 “(2) REQUIRED PREMIUMS FOR BUY-IN ELIGI-
24 BLE INDIVIDUALS.—

25 “(A) IN GENERAL.—Except as provided in
26 this paragraph, in the case of all healthy chil-

1 dren eligible individuals described in section
2 2202(b)(1)(C), the premium for coverage under
3 this title shall be such premium (as estimated
4 under a methodology specified by the Secretary)
5 as is equal to the full average per capita cost
6 of benefits for children (or pregnant women, as
7 the case may be) under the State all healthy
8 children plan.

9 “(B) PROVISION OF PREMIUM SUBSIDY.—

10 “(i) IN GENERAL.—Subject to clause
11 (ii), in no case shall the premium for cov-
12 erage under this title exceed (taking into
13 account any private coverage in which the
14 individual is enrolled as well as supple-
15 mental coverage purchased under this
16 title)—

17 “(I) 7.5 percent of the family in-
18 come; or

19 “(II) in the case of multiple eligi-
20 ble individuals within the same family,
21 15 percent of family income.

22 “(ii) LIMITATION.—Clause (i) shall
23 not apply for a healthy child eligible indi-
24 vidual in a family if—

1 “(I) the individual could be cov-
2 ered under a group health plan for
3 which the employer (or other plan
4 sponsor) provides for payment of at
5 least 50 percent of the premium for
6 coverage of such individual; and

7 “(II) the individual is not so cov-
8 ered because of a rejection of such
9 coverage option.

10 “(C) OPTIONAL SUBSIDIES.—A State plan
11 may reduce premiums otherwise imposed for
12 reasonable classifications of all healthy children
13 eligible individuals described in section
14 2202(b)(1)(C). Such classifications may in-
15 clude—

16 “(i) individuals with family income
17 within specific income ranges;

18 “(ii) individuals with special health
19 care needs; and

20 “(iii) individuals who could have
21 qualified for medical assistance under an
22 optional eligibility category under title XIX
23 (as in effect as of January 1, 2007).

24 “(3) PREMIUM PAYMENTS.—

1 “(A) IN GENERAL.—The State all healthy
2 children plan shall provide effective measures,
3 consistent with standards established by the
4 Secretary, to make premium payment simple
5 and convenient to parents (or other payers) and
6 to preserve continuity of coverage. Such meas-
7 ures shall include—

8 “(i) discounts to encourage the pay-
9 ment of quarterly or annual premiums in
10 advance;

11 “(ii) options to make premium pay-
12 ments automatically by credit card, debit
13 account payments, electronic fund trans-
14 fers, payroll withholding, or otherwise; and

15 “(iii) payment opportunities at mul-
16 tiple, convenient community locations.

17 “(B) PROMOTING CONTINUITY OF COV-
18 ERAGE.—In the case of all healthy children eli-
19 gible individuals for whom premium payments
20 are required under the State plan, the plan
21 shall have effective procedures to prevent pre-
22 mium non-payment from interrupting con-
23 tinuity of coverage. If there is a default on pre-
24 mium payments, the State plan shall provide
25 reasonable opportunities to cure such default,

1 including at least a 60-day period, following no-
2 tice of default, during which overdue premium
3 payments may be made without interrupting
4 coverage or incurring interest charges, late fees,
5 or other costs.

6 “(c) COST-SHARING.—

7 “(1) LIMITATIONS.—Subject to subsection (d),
8 for all healthy children eligible individuals with a
9 family income that—

10 “(A) does not exceed 200 percent of the
11 poverty line, there shall be no out-of-pocket
12 cost-sharing imposed;

13 “(B) does exceed 200 percent, but does not
14 exceed 300 percent, of the poverty line, only
15 nominal out-of-pocket cost-sharing may be im-
16 posed; or

17 “(C) exceeds 300 percent of the poverty
18 line, out-of-pocket cost-sharing charged may not
19 exceed levels the Secretary finds to be con-
20 sistent with charges under employer-based
21 health insurance for the majority of employees
22 enrolled in such coverage nationally.

23 In no case shall a child described in subparagraph
24 (A) or (B) of section 2202(b)(1) be denied services

1 under this title because of failure to pay out-of-pocket
2 et cost-sharing.

3 “(2) WAIVER.—A state may elect to waive or
4 reduce out-of-pocket cost-sharing otherwise author-
5 ized under this subsection.

6 “(d) LIMITATIONS ON OUT-OF-POCKET COSTS.—

7 “(1) CURRENT MEDICAID.—For each all
8 healthy children eligible individual, premiums and
9 out-of-pocket cost-sharing may not exceed the levels
10 that would have been charged for that individual
11 under State Medicaid and SCHIP law as of October
12 1, 2005, updated in a manner specified by the Sec-
13 retary based on changes, after that date, to average
14 earnings among families with incomes that do not
15 exceed 200 percent of the poverty line.

16 “(2) AFFORDABILITY.—The State plan shall
17 provide effective measures, consistent with standards
18 established by the Secretary, to further limit out-of-
19 pocket cost-sharing (taking into account both pre-
20 miums and cost-sharing) of all healthy children eligi-
21 ble individuals to affordable levels, for both indi-
22 vidual health care services and total family costs.
23 Such measures may include coding of each individ-
24 ual’s enrollment card. Such measures may not in-

1 clude a requirement that households track incurred
2 costs.

3 “(e) CHOICE OF PLANS.—To the extent feasible, a
4 State plan must provide, insofar as the plan provides for
5 benefits through enrollment in a health benefits plan, for
6 each enrollee to have a choice of at least two health plan
7 options, consistent with the requirements of section 1932.

8 “(f) REIMBURSEMENT RATES.—The State shall es-
9 tablish under the State plan, in consultation with appro-
10 priate child health providers and experts—

11 “(1) payment rates for providers that are—

12 “(A) not less than 80 percent of the aver-
13 age of payment rates for similar services for
14 providers under private health insurance plans
15 within that State; and

16 “(B) sufficient in amount to ensure that
17 enrolled all healthy children eligible individuals
18 have adequate access to all services covered
19 under this title; and

20 “(2) payments rates to capitated plans that are
21 actuarially sound, based on comprehensive encounter
22 data.

23 **“SEC. 2204. PAYMENTS TO STATES.**

24 “(a) PAYMENT.—Subject to the succeeding provisions
25 of this section, the Secretary shall pay to each State with

1 a plan approved under this title, an amount for each quar-
2 ter equal to the Federal all healthy children matching rate
3 for the State (as determined under subsection (b)) of the
4 total expenditures under the plan for the quarter, except
5 that the matching rate for the development and operation
6 of information technology shall be the same as the Federal
7 matching percentage in effect for such technology under
8 subparagraphs (A) and (B) of section 1903(a)(3).

9 “(b) COMPUTATION OF FEDERAL ALL HEALTHY
10 CHILDREN MATCHING RATE.—

11 “(1) IN GENERAL.—Subject to paragraph (3),
12 the Federal all healthy children matching rate under
13 this subsection for a State for a calendar quarter in
14 a fiscal year is equal to the ratio of—

15 “(A) the total expenditures under the
16 State plan under this title for the quarter that
17 are attributable to required populations and
18 services, less the State share of basic expendi-
19 tures described in paragraph (2), to

20 “(B) the total expenditures referred to in
21 subparagraph (A).

22 “(2) STATE SHARE FOR BASIC EXPENDI-
23 TURES.—

24 “(A) IN GENERAL.—The State share of ex-
25 penditures attributable to required populations

1 and services under this title for a quarter in a
2 fiscal year is equal to $\frac{1}{4}$ of the product of the
3 following:

4 “(i) BASE AMOUNT.—The base FY
5 2006 amount (specified in subparagraph
6 (B) for the State).

7 “(ii) CHILD INCREASE FACTOR.—One
8 plus the percentage increase in the number
9 of children residing in the State, as esti-
10 mated by the Secretary, from fiscal year
11 2006 to the fiscal year involved.

12 “(iii) COST INCREASE FACTOR.—One
13 plus the percentage increase in the medical
14 care component of the consumer price
15 index for all urban consumers (U.S. city
16 average), as estimated by the Secretary,
17 from fiscal year 2006 to the fiscal year in-
18 volved.

19 “(B) BASE FY 2006 AMOUNT.—For pur-
20 poses of this paragraph, the ‘base FY 2006
21 amount’ for a State is equal to the sum of—

22 “(i) the total amount of expenditures
23 made by the State during calendar quar-
24 ters in fiscal year 2006 under title XIX
25 (including under any waiver under section

1 1115) that are attributable to coverage of
2 individuals who meet the requirement to be
3 all healthy children eligible individuals, in-
4 cluding an appropriate portion of adminis-
5 trative expenses, reduced by the amount of
6 Federal financial participation provided
7 with respect to such expenditures; and

8 “(ii) the total amount of expenditures
9 made by the State during calendar quar-
10 ters in fiscal year 2006 under title XXI
11 (including under any waiver under section
12 1115), reduced by the amount of payment
13 received by the State under such title for
14 such quarters.

15 “(3) COUNTER-CYCLICAL REDUCTION.—The
16 Secretary shall establish a formula for providing, in
17 addition to the base Federal matching amounts,
18 automatic supplemental assistance to States that ex-
19 perience a sustained economic downturn, based upon
20 State’s quarterly unemployment rate exceeding the
21 State’s average of such rates during a period of pre-
22 vious calendar quarters (in such number as the Sec-
23 retary shall specify) and by a percentage to be deter-
24 mined by the Secretary and in an amount calculated
25 on the basis of the relationship between changes in

1 unemployment and anticipated increases in providing
2 services under this title. The supplemental assistance
3 shall be distributed quarterly through a supplement
4 to the State's Federal payment and shall be for such
5 duration as the Secretary determines appropriate.

6 “(c) BONUS FOR MEETING ENROLLMENT TAR-
7 GETS.—The Secretary is authorized to establish a system
8 for providing additional bonus payments for States that
9 meet or exceed enrollment targets established for each
10 State by the Secretary, taking into account the cir-
11 cumstances in each State.

12 “(d) ADVANCE PAYMENT; RETROSPECTIVE ADJUST-
13 MENT.—The Secretary may make payments under this
14 section for each quarter on the basis of advance estimates
15 of expenditures submitted by the State and such other in-
16 vestigation as the Secretary may find necessary, and may
17 reduce or increase the payments as necessary to adjust
18 for any overpayment or underpayment for prior quarters.

19 “(e) TREATMENT OF TERRITORIES.—In the case of
20 States that are not one of the 50 States or the District
21 of Columbia, the Secretary shall by regulation establish
22 an equitable formula for allocating funds to provide serv-
23 ices to all all healthy children eligible individuals residing
24 in such States.

1 **“SEC. 2205. APPLICATION OF SCHIP, MEDICAID AND RE-**
2 **LATED SSA PROVISIONS; WAIVERS; ADMINIS-**
3 **TRATION.**

4 “(a) SCHIP PROVISIONS RELATING TO PLAN SUB-
5 MISSION, STRATEGIC OBJECTIVES AND PERFORMANCE
6 GOALS, AND AUDITS.—Except to the extent inconsistent
7 with the provisions of this title, sections 2106, 2107, and
8 2108(d) shall apply with respect to State plans under this
9 title in the same manner as they applied with respect to
10 State plans under title XXI.

11 “(b) MEDICAID PROVISIONS.—Except to the extent
12 inconsistent with the provisions of this title, the provisions
13 of title XIX (and the provisions of title XI, including sec-
14 tion 1115, insofar as they are applicable to title XIX) shall
15 apply to activities under this title.

16 “(c) LIMITATION ON WAIVERS.—No waiver shall be
17 granted under section 1115 with respect to this title if
18 it is likely to result in—

19 “(1) an increase in health care or health pre-
20 mium costs for all healthy children eligible individ-
21 uals under this title; or

22 “(2) a reduction in benefits, eligibility, guaran-
23 teed eligibility, health care access, or health care
24 quality for such individuals under this title.

25 “(d) ANNUAL REPORTS.—The Secretary shall
26 present annual reports to Congress describing implemen-

1 tation of this title. Such reports shall include a description
2 of—

3 “(1) optional coverage chosen by States; and

4 “(2) for each category of coverage and method
5 of enrollment, nationwide and State-specific data
6 showing the number and characteristics of all
7 healthy children eligible individuals receiving cov-
8 erage, services provided, categories and amounts of
9 expenditures.

10 **“SEC. 2206. DEFINITIONS.**

11 “(a) IN GENERAL.—For purposes of this title:

12 “(1) ALL HEALTHY CHILDREN ELIGIBLE INDI-
13 VIDUAL.—The term ‘all healthy children eligible in-
14 dividual’ means individuals described in section
15 2202(b)(1).

16 “(2) ALL HEALTHY CHILDREN ASSISTANCE.—
17 The term ‘all healthy children assistance’ means
18 payment under this title for part or all of the cost
19 of health benefits coverage for all healthy children
20 eligible individual.

21 “(3) CHILD, GROUP HEALTH PLAN, AND POV-
22 ERTY LINE.—The terms ‘child’, ‘group health plan’,
23 and ‘poverty line’ have the meanings given such
24 terms in section 2110(c).

1 “(4) STATE ALL HEALTHY CHILDREN PLAN;
2 STATE PLAN.—The terms ‘State all healthy children
3 plan’ and ‘State plan’ mean such a plan as approved
4 under this title.

5 “(5) STATE.—The term ‘State’ has the mean-
6 ing given such term for purposes of titles XIX and
7 XXI.

8 **“SEC. 2207. EFFECTIVE DATES; TRANSITION.**

9 “(a) EFFECTIVE DATE.—Benefits and payments to
10 States shall first be available under this title for items and
11 services furnished on or after October 1, 2008 (in this sec-
12 tion referred to as the ‘All Healthy Children Program ef-
13 fective date’).

14 “(b) TRANSITION PROVISIONS.—

15 “(1) IN GENERAL.—Any child under 19 years
16 of age, any pregnant woman, or any independent
17 foster care adolescent (as defined in section
18 1905(w)(1)) who, as of the day before the All
19 Healthy Children Program effective date, is enrolled
20 under title XIX or XXI shall, as of such effective
21 date, automatically qualify for and be enrolled in the
22 State plan under this title, with the benefits based
23 on the family income of the individual as most re-
24 cently determined for purposes of the title under
25 which the individual was enrolled.

1 “(2) TREATMENT OF SCHIP ADULTS.—In the
2 case of an individual not described in paragraph (1)
3 who, as of the day before the All Healthy Children
4 Program effective date, was enrolled under title XXI
5 through a program waiver, during the remainder of
6 such program waiver period, so long as the indi-
7 vidual continues to meet the conditions for eligibility
8 under such program waiver, shall be eligible for
9 medical assistance under the State plan under title
10 XIX and, with respect to medical assistance to such
11 individuals, the enhanced FMAP under title XXI
12 shall be substituted for the Federal medical assist-
13 ance percentage (FMAP) for purposes of section
14 1903(a)(1).

15 “(3) GUIDANCE.—The Secretary shall provide
16 guidance and assistance to the States in carrying
17 out this section.

18 “(c) MEDICAID; SCHIP TRANSITION.—Notwith-
19 standing any other provision of law, as of the All Healthy
20 Children Program effective date, any all healthy children
21 eligible individual shall not be eligible for medical assist-
22 ance under title XIX or child health assistance under title
23 XXI and no Federal financial participation shall be avail-
24 able under either such title with respect to such individ-
25 uals.”.

1 **SEC. 3. COMMISSION ON CHILDREN'S HEALTH COVERAGE.**

2 (a) ESTABLISHMENT.—There is hereby established a
3 Commission on Children's Health Coverage (in this sec-
4 tion referred to as the "Commission").

5 (b) COMPOSITION.—

6 (1) IN GENERAL.—The Commission shall be
7 composed of the following:

8 (A) Four members one each appointed by
9 the majority and minority leaders of the House
10 of Representatives and the majority and minor-
11 ity leaders of the Senate.

12 (B) One member appointed by the Sec-
13 retary of Health and Human Services.

14 (C) Two members one each appointed by
15 the American Academy of Pediatrics and by the
16 Institute of Medicine of the National Academies
17 of Science.

18 (D) One member appointed by the Sec-
19 retary of Health and Human Services who is a
20 representative of parents of children with spe-
21 cial health care needs.

22 (E) One member appointed by the Sec-
23 retary of Health and Human Services who is a
24 representative of a children's advocacy group.

25 (F) Two non-voting advisory members ap-
26 pointed by the National Governors Association.

1 Appointment of members of the Commission shall
2 first be made not later than 60 days after the date
3 of the enactment of this Act.

4 (2) TERMS.—The term of each member of the
5 Commission shall be for 2 years. A vacancy shall be
6 filled in the same manner as the original appoint-
7 ment but the member so appointed shall serve for
8 the remainder of the term of the vacating member.

9 (3) COMPENSATION.—Members of the Commis-
10 sion who are not Federal officers or employees shall
11 be entitled to compensation, including travel time, at
12 a per diem rate equivalent of rate for level IV of Ex-
13 ecutive Schedule under section 5315 of title 5,
14 United States Code, and for travel expense reim-
15 bursement, at rates authorized for employees of
16 agencies under such title.

17 (4) CHAIR.—The Secretary shall designate a
18 member to serve as Chair of the Commission.

19 (5) MEETINGS.—The Commission shall meet at
20 the call of the Chair.

21 (6) USE OF COMMITTEES.—The Commission
22 may establish committees if necessary to carry out
23 its duties.

24 (c) SUPERMAJORITY REQUIREMENT FOR ACTIONS.—
25 Commission actions must be approved by at least six of

1 the members described in subparagraphs (A) through (E)
2 of subsection (b)(1).

3 (d) ADMINISTRATION.—

4 (1) POWERS.—

5 (A) HEARINGS.—The Commission may
6 hold such hearings, sit and act at such times
7 and places, take such testimony, and receive
8 such evidence as the Commission considers ad-
9 visable to carry out this section.

10 (B) INFORMATION FROM FEDERAL AGEN-
11 CIES.—The Commission may secure directly
12 from any Federal department or agency such
13 information as the Commission considers nec-
14 essary to carry out this section. Upon request
15 of the Chairperson of the Commission, the head
16 of such department or agency shall furnish such
17 information to the Commission.

18 (C) POSTAL SERVICES.—The Commission
19 may use the United States mails in the same
20 manner and under the same conditions as other
21 departments and agencies of the Federal Gov-
22 ernment.

23 (D) GIFTS.—The Commission may accept,
24 use, and dispose of gifts or donations of serv-
25 ices or property.

1 (2) COMPENSATION.—While serving on the
2 business of the Commission (including travel time),
3 a member of the Commission who is not a Federal
4 officer or employee shall be entitled to compensation
5 at the per diem equivalent of the rate provided for
6 level IV of the Executive Schedule under section
7 5315 of title 5, United States Code, and while so
8 serving away from home and the member's regular
9 place of business, any member may be allowed travel
10 expenses, as authorized by the chairperson of the
11 Commission. All members of the Commission who
12 are officers or employees of the United States shall
13 serve without compensation in addition to that re-
14 ceived for their services as officers or employees of
15 the United States.

16 (3) STAFF.—

17 (A) IN GENERAL.—The Chair of the Com-
18 mission may, without regard to the civil service
19 laws and regulations, appoint and terminate an
20 executive director and such other additional
21 personnel as may be necessary to enable the
22 Commission to perform its duties. The employ-
23 ment of an executive director shall be subject to
24 confirmation by the Commission.

1 (B) STAFF COMPENSATION.—The Chair of
2 the Commission may fix the compensation of
3 the executive director and other personnel with-
4 out regard to chapter 51 and subchapter III of
5 chapter 53 of title 5, United States Code, relat-
6 ing to classification of positions and General
7 Schedule pay rates, except that the rate of pay
8 for the executive director and other personnel
9 may not exceed the rate payable for level V of
10 the Executive Schedule under section 5316 of
11 such title.

12 (C) DETAIL OF GOVERNMENT EMPLOY-
13 EES.—Any Federal Government employee may
14 be detailed to the Commission without reim-
15 bursement, and such detail shall be without
16 interruption or loss of civil service status or
17 privilege.

18 (D) PROCUREMENT OF TEMPORARY AND
19 INTERMITTENT SERVICES.—The Chair of the
20 Commission may procure temporary and inter-
21 mittent services under section 3109(b) of title
22 5, United States Code, at rates for individuals
23 which do not exceed the daily equivalent of the
24 annual rate of basic pay prescribed for level V

1 of the Executive Schedule under section 5316
2 of such title.

3 (e) REIMBURSEMENT OF COSTS.—The Secretary
4 shall provide, from general operating funds of the Depart-
5 ment of Health and Human Services, the Commission
6 with such funds and support as may be necessary to sup-
7 port its activities.

8 (f) ANNUAL REPORTS.—Beginning one year after the
9 All Healthy Children Program effective date, the Commis-
10 sion shall transmit to Congress an annual report that eval-
11 uates the status of children’s health coverage in the
12 United States, including an evaluation of the implementa-
13 tion of title XXII of the Social Security Act and rec-
14 ommendations for policy improvements at the State and
15 national levels and in the private sector to improve such
16 coverage.

17 (g) SUBMISSION OF LEGISLATIVE PROPOSAL FOR
18 UNIVERSAL COVERAGE OF CHILDREN.—Not later than
19 three years after the date of the enactment of this Act,
20 the Commission shall submit to Congress a report that
21 contains a legislative proposal that would assure health
22 benefits coverage for all children in the United States.
23 Such proposal may include a requirement that parents ob-
24 tain coverage for their children or that employers fund

1 coverage for children of their workers. The proposal shall
2 provide for the following:

3 (1) Coverage shall include all medically nec-
4 essary care for all children.

5 (2) Enrollment shall be simple and seamless.

6 (3) Unnecessary costs shall be avoided.

7 (4) Quality, access and continuity of care shall
8 be promoted.

9 (h) EXPEDITED CONGRESSIONAL CONSIDERATION
10 OF LEGISLATIVE PROPOSAL.—

11 (1) BILL INTRODUCTION.—

12 (A) IN GENERAL.—Any legislative proposal
13 described in subsection (f) may be introduced
14 as a bill by request in the following manner:

15 (i) HOUSE OF REPRESENTATIVES.—In
16 the House of Representatives, by the ma-
17 jority leader and the minority leader not
18 later than 10 days after receipt of the leg-
19 islative proposal.

20 (ii) SENATE.—In the Senate, by the
21 majority leader and the minority leader not
22 later than 10 days after receipt of the leg-
23 islative proposal.

24 (B) ALTERNATIVE BY ADMINISTRATION.—

25 The President may submit a legislative proposal

1 based on the recommendations of the Commis-
2 sion and such legislative proposal may be intro-
3 duced in the manner described in subparagraph
4 (A).

5 (2) COMMITTEE CONSIDERATION.—

6 (A) IN GENERAL.—Any legislative proposal
7 submitted pursuant to subparagraph (A) or (B)
8 of paragraph (1) (in this subsection referred to
9 as “implementing legislation”) shall be referred
10 to the appropriate committees of the House of
11 Representatives and the Senate.

12 (B) COMMITTEE REPORTING.—If, not later
13 than 150 days after the date on which the im-
14 plementing legislation is referred to a com-
15 mittee under subparagraph (A), the committee
16 has reported the implementing legislation or
17 has reported an original bill whose subject is re-
18 lated to universal health benefits coverage of
19 children, or to providing access to affordable
20 health care coverage for all children, the regular
21 rules of the applicable House of Congress shall
22 apply to such legislation.

23 (C) DISCHARGE FROM COMMITTEES.—

24 (i) SENATE.—

1 (I) IN GENERAL.—If the imple-
2 menting legislation or an original bill
3 described in paragraph (1) has not
4 been reported by a committee of the
5 Senate within 180 days after the date
6 on which such legislation was referred
7 to committee under subparagraph (A),
8 it shall be in order for any Senator to
9 move to discharge the committee from
10 further consideration of such imple-
11 menting legislation.

12 (II) SEQUENTIAL REFERRALS.—
13 Should a sequential referral of the im-
14 plementing legislation be made, the
15 additional committee has 30 days for
16 consideration of implementing legisla-
17 tion before the discharge motion de-
18 scribed in subclause (I) would be in
19 order.

20 (III) PROCEDURE.—The motion
21 described in subclause (I) shall not be
22 in order after the implementing legis-
23 lation has been placed on the cal-
24 endar. While the motion described in
25 subclause (I) is pending, no other mo-

1 tions related to the motion described
2 in subclause (I) shall be in order. De-
3 bate on a motion to discharge shall be
4 limited to not more than 10 hours,
5 equally divided and controlled by the
6 majority leader and the minority lead-
7 er, or their designees. An amendment
8 to the motion shall not be in order,
9 nor shall it be in order to move to re-
10 consider the vote by which the motion
11 is agreed or disagreed to.

12 (IV) EXCEPTION.—If imple-
13 menting language is submitted on a
14 date later than May 1 of the second
15 session of a Congress, the committee
16 shall have 90 days to consider the im-
17 plementing legislation before a motion
18 to discharge under this clause would
19 be in order.

20 (ii) HOUSE OF REPRESENTATIVES.—
21 If the implementing legislation or an origi-
22 nal bill described in paragraph (1) has not
23 been reported out of a committee of the
24 House of Representatives within 180 days
25 after the date on which such legislation

1 was referred to committee under subpara-
2 graph (A), then on any day on which the
3 call of the calendar for motions to dis-
4 charge committees is in order, any member
5 of the House of Representatives may move
6 that the committee be discharged from
7 consideration of the implementing legisla-
8 tion, and this motion shall be considered
9 under the same terms and conditions, and
10 if adopted the House of Representatives
11 shall follow the procedure described in
12 sparagraph (4)(A).

13 (3) FLOOR CONSIDERATION.—

14 (A) MOTION TO PROCEED.—If a motion to
15 discharge made pursuant to paragraph
16 (3)(B)(ii)(I) or (3)(B)(ii)(II) is adopted, then,
17 not earlier than 5 legislative days after the date
18 on which the motion to discharge is adopted, a
19 motion may be made to proceed to the bill.

20 (B) FAILURE OF MOTION.—If the motion
21 to discharge made pursuant to either such
22 paragraph fails, such motion may be made not
23 more than 2 additional times, but in no case
24 more frequently than within 30 days of the pre-

1 vious motion. Debate on each of such motions
2 shall be limited to 5 hours, equally divided.

3 (C) APPLICABLE RULES.—Once the Senate
4 is debating the implementing legislation the
5 regular rules of the Senate shall apply.

○