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AMENDMENT TO H.R. 2, AS
 REPORTED
 OFFERED BY MR. FORTENBERRY OF NEBRASKA
 [Amendment is to Children's Health Insurance Program
 Reauthorization Act of 2009]

Insert at the appropriate place the following:

1 **Subtitle ____—SCHIP Plus**
 2 **SEC. ____1. EXPANDING COVERAGE OPTIONS IN SCHIP**
 3 **THROUGH PREMIUM ASSISTANCE.**
 4 (a) REQUIRING OFFERING OF ALTERNATIVE COV-
 5 ERAGE OPTIONS.—Section 2102 (42 U.S.C. 1397b) is
 6 amended—
 7 (1) in subsection (a)—
 8 (A) in paragraph (6), by striking “and” at
 9 the end;
 10 (B) in paragraph (7), by striking the pe-
 11 riod at the end and inserting “; and”; and
 12 (C) by adding at the end the following new
 13 paragraph:
 14 “(8) effective for plan years beginning on or
 15 after October 1, 2009, how the plan will provide for
 16 child health assistance with respect to applicable tar-
 17 geted low-income children through alternative cov-

1 erage options in accordance with subsection (d).”;
2 and

3 (2) by adding at the end the following new sub-
4 section:

5 “(d) ALTERNATIVE COVERAGE OPTIONS.—

6 “(1) IN GENERAL.—Effective October 1, 2009,
7 a State child health plan shall provide for the offer-
8 ing of any qualified alternative coverage that a
9 qualified entity seeks to offer to applicable targeted
10 low-income children through the plan in the State.

11 “(2) APPLICATION OF UNIFORM FINANCIAL
12 LIMITATION FOR ALL ALTERNATIVE COVERAGE OP-
13 TIONS.—With respect to all qualified alternative cov-
14 erage offered in a State, the State child health plan
15 shall establish a uniform dollar limitation on the per
16 capita monthly amount that will be paid by the
17 State to the qualified entity with respect to such
18 coverage provided to a targeted low-income child.
19 Such limitation may not be less than 90 percent of
20 the per capita monthly payment made for coverage
21 offered under the State child health plan that is not
22 in the form of an alternative coverage option. Noth-
23 ing in this paragraph shall be construed—

1 “(A) as requiring a State to provide for
2 the full payment of premiums for qualified al-
3 ternative coverage;

4 “(B) as preventing a State from charging
5 additional premiums to cover the difference be-
6 tween the cost of qualified alternative coverage
7 and the amount of such payment limitation;

8 “(C) as preventing a State from using its
9 own funds to provide a dollar limitation that ex-
10 ceeds the Federal financial participation as lim-
11 ited under section 2105(c)(8).

12 “(3) QUALIFIED ALTERNATIVE COVERAGE DE-
13 FINED.—In this section, the term ‘qualified alter-
14 native coverage’ means health insurance coverage
15 that—

16 “(A) meets the coverage requirements of
17 section 2103 (other than cost-sharing require-
18 ments of such section); and

19 “(B) is offered by a qualified insurer, and
20 not directly by the State.

21 “(4) QUALIFIED INSURER DEFINED.—In this
22 section, the term ‘qualified insurer’ means, with re-
23 spect to a State, an entity that is licensed to offer
24 health insurance coverage in the State.

1 “(5) APPLICABLE TARGETED LOW-INCOME
2 CHILDREN DEFINED.—In this title, the term ‘appli-
3 cable targeted low-income children’ means targeted
4 low-income children with family income that does
5 not exceed 200 percent of the poverty line applicable
6 to family of the size involved.”.

7 (b) FEDERAL FINANCIAL PARTICIPATION FOR
8 QUALIFIED ALTERNATIVE COVERAGE.—Section 2105 of
9 such Act (42 U.S.C. 1397d) is amended—

10 (1) in subsection (a)(1)(C), by inserting before
11 the semicolon at the end the following: “and, subject
12 to paragraph (8)(C), in the form of payment of the
13 premiums for coverage for qualified alternative cov-
14 erage”; and

15 (2) by adding at the end of subsection (c) the
16 following new paragraph:

17 “(8) PURCHASE OF QUALIFIED ALTERNATIVE
18 COVERAGE.—

19 “(A) IN GENERAL.—Payment may be
20 made to a State under subsection (a)(1)(C),
21 subject to the provisions of this paragraph, for
22 the purchase of qualified alternative coverage
23 for applicable targeted low-income children.

24 “(B) WAIVER OF CERTAIN PROVISIONS.—
25 With respect to coverage described in subpara-

1 graph (A), no limitation on beneficiary cost-
2 sharing otherwise applicable under this title or
3 title XIX shall apply.

4 “(C) LIMITATION ON FFP.—The amount of
5 the payment under paragraph (1)(C) for cov-
6 erage described in subparagraph (A) during a
7 fiscal year in the aggregate for all such cov-
8 erage in the State may not exceed the product
9 of—

10 “(i) the national per capita expendi-
11 ture under this title (taking into account
12 both Federal and State expenditures) for
13 the previous fiscal year (as determined by
14 the Secretary using the best available
15 data);

16 “(ii) the enhanced FMAP for the
17 State and fiscal year involved; and

18 “(iii) the number of targeted low-in-
19 come children for whom such coverage is
20 provided.

21 “(D) VOLUNTARY ENROLLMENT.—A State
22 child health plan—

23 “(i) may not require a targeted low-
24 income child to enroll in coverage described

1 in subparagraph (A) in order to obtain
2 child health assistance under this title;

3 “(ii) before providing such child
4 health assistance for such coverage of a
5 child, shall make available (which may be
6 through an Internet website or other
7 means) to the parent or guardian of the
8 child information on the coverage available
9 under this title, including benefits and
10 cost-sharing; and

11 “(iii) shall—

12 “(I) provide at least one oppor-
13 tunity per fiscal year for beneficiaries
14 to switch coverage under this title
15 from coverage described in subpara-
16 graph (A) to the coverage that is oth-
17 erwise made available under this title;
18 and

19 “(II) permit beneficiaries to
20 switch such coverage under such other
21 circumstances, such as the change in
22 employment, birth of a child, or
23 change in households, as the Sec-
24 retary specifies.

1 “(E) INFORMATION ON COVERAGE OP-
2 TIONS.—A State child health plan shall—

3 “(i) describe how the State will notify
4 potential beneficiaries of coverage de-
5 scribed in subparagraph (A);

6 “(ii) provide such notification in writ-
7 ing at least during the initial application
8 for enrollment under this title and during
9 redeterminations of eligibility if the indi-
10 vidual was enrolled before October 1, 2010;
11 and

12 “(iii) post a description of these cov-
13 erage options on any official website that
14 may be established by the State in connec-
15 tion with the plan.

16 “(F) RULE OF CONSTRUCTION.—Nothing
17 in this section is to be construed to prohibit a
18 State from—

19 “(i) establishing limits on beneficiary
20 cost-sharing under such alternative cov-
21 erage;

22 “(ii) paying all or part of a bene-
23 ficiary’s cost-sharing requirements under
24 such coverage;

1 “(iii) paying less than the full cost of
2 a child’s share of the premium under such
3 coverage, insofar as the premium for such
4 coverage exceeds the limitation established
5 by the State under subparagraph (C);

6 “(iv) using State funds to pay for
7 benefits above the Federal upper limit es-
8 tablished under subparagraph (C); or

9 “(v) providing any guidance or infor-
10 mation it deems appropriate in order to
11 help beneficiaries make an informed deci-
12 sion regarding the option to enroll in cov-
13 erage described in subparagraph (A).”.

14 **SEC. _____. EASING ADMINISTRATIVE BARRIERS TO STATE**
15 **COOPERATION WITH EMPLOYER-SPONSORED**
16 **INSURANCE COVERAGE.**

17 (a) **REQUIRING SOME COVERAGE FOR EMPLOYER-**
18 **SPONSORED INSURANCE.—**

19 (1) **IN GENERAL.—**Section 2102(a) (42 U.S.C.
20 1397b(a)), as amended by subsection (a) of the pre-
21 vious section, is amended—

22 (A) in paragraph (7), by striking “and” at
23 the end;

24 (B) in paragraph (8), by striking the pe-
25 riod at the end and inserting “; and”; and

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

3 “(9) effective for plan years beginning on or
4 after October 1, 2009, how the plan will provide for
5 child health assistance with respect to targeted low-
6 income children covered under a group health
7 plan.”.

8 (2) EFFECTIVE DATE.—The amendment made
9 by paragraph (1) shall apply beginning with fiscal
10 year 2010.

11 (b) FEDERAL FINANCIAL PARTICIPATION FOR EM-
12 PLOYER-SPONSORED INSURANCE.—Section 2105 of such
13 Act (42 U.S.C. 1397d) is amended—

14 (1) in subsection (a)(1)(C), as amended by sub-
15 section (b) of the previous section, by inserting be-
16 fore the semicolon at the end the following: “and,
17 subject to paragraph (3)(C), in the form of payment
18 of the premiums for coverage under a group health
19 plan that includes coverage of targeted low-income
20 children and benefits supplemental to such cov-
21 erage”; and

22 (2) paragraph (3) of subsection (c) is amended
23 to read as follows:

24 “(3) PURCHASE OF EMPLOYER-SPONSORED IN-
25 SURANCE.—

1 “(A) IN GENERAL.—Payment may be
2 made to a State under subsection (a)(1)(C),
3 subject to the provisions of this paragraph, for
4 the purchase of family coverage under a group
5 health plan that includes coverage of targeted
6 low-income children unless such coverage would
7 otherwise substitute for coverage that would be
8 provided to such children but for the purchase
9 of family coverage.

10 “(B) WAIVER OF CERTAIN PROVISIONS.—
11 With respect to coverage described in subpara-
12 graph (A)—

13 “(i) notwithstanding section 2102, no
14 minimum benefits requirement (other than
15 those otherwise applicable with respect to
16 services referred to in section 2102(a)(7))
17 under this title shall apply; and

18 “(ii) no limitation on beneficiary cost-
19 sharing otherwise applicable under this
20 title or title XIX shall apply.

21 “(C) REQUIRED PROVISION OF SUPPLE-
22 MENTAL BENEFITS.—If the coverage described
23 in subparagraph (A) does not provide coverage
24 for the services referred to in section
25 2102(a)(7), the State child health plan shall

1 provide coverage of such services as supple-
2 mental benefits.

3 “(D) LIMITATION ON FFP.—The amount
4 of the payment under paragraph (1)(C) for cov-
5 erage described in subparagraph (A) (and sup-
6 plemental benefits under subparagraph (C) for
7 individuals so covered) during a fiscal year may
8 not exceed the product of—

9 “(i) the national per capita expendi-
10 ture under this title (taking into account
11 both Federal and State expenditures) for
12 the previous fiscal year (as determined by
13 the Secretary using the best available
14 data);

15 “(ii) the enhanced FMAP for the
16 State and fiscal year involved; and

17 “(iii) the number of targeted low-in-
18 come children for whom such coverage is
19 provided.

20 “(E) VOLUNTARY ENROLLMENT.—A State
21 child health plan—

22 “(i) may not require a targeted low-
23 income child to enroll in coverage described
24 in subparagraph (A) in order to obtain
25 child health assistance under this title;

1 “(ii) before providing such child
2 health assistance for such coverage of a
3 child, shall make available (which may be
4 through an Internet website or other
5 means) to the parent or guardian of the
6 child information on the coverage available
7 under this title, including benefits and
8 cost-sharing; and

9 “(iii) shall—
10 “(I) provide at least one oppor-
11 tunity per fiscal year for beneficiaries
12 to switch coverage under this title
13 from coverage described in subpara-
14 graph (A) to the coverage that is oth-
15 erwise made available under this title;
16 and

17 “(II) permit beneficiaries to
18 switch such coverage under such other
19 circumstances, such as the change in
20 employment, birth of a child, or
21 change in households, as the Sec-
22 retary specifies.

23 “(F) INFORMATION ON COVERAGE OP-
24 TIONS.—A State child health plan shall—

1 “(i) describe how the State will notify
2 potential beneficiaries of coverage de-
3 scribed in subparagraph (A);

4 “(ii) provide such notification in writ-
5 ing at least during the initial application
6 for enrollment under this title and during
7 redeterminations of eligibility if the indi-
8 vidual was enrolled before October 1, 2010;
9 and

10 “(iii) post a description of these cov-
11 erage options on any official website that
12 may be established by the State in connec-
13 tion with the plan.

14 “(G) SEMIANNUAL VERIFICATION OF COV-
15 ERAGE.—If coverage described in subparagraph
16 (A) is provided under a group health plan with
17 respect to a targeted low-income child, the
18 State child health plan shall provide for the col-
19 lection, at least once every six months, of proof
20 from the plan that the child is enrolled in such
21 coverage.

22 “(H) RULE OF CONSTRUCTION.—Nothing
23 in this section is to be construed to prohibit a
24 State from—

1 “(i) offering wrap around benefits in
2 order for a group health plan to meet any
3 State-established minimum benefit require-
4 ments;

5 “(ii) establishing a cost-effectiveness
6 test to qualify for coverage under such a
7 plan;

8 “(iii) establishing limits on beneficiary
9 cost-sharing under such a plan;

10 “(iv) paying all or part of a bene-
11 ficiary’s cost-sharing requirements under
12 such a plan;

13 “(v) paying less than the full cost of
14 the employee’s share of the premium under
15 such a plan, including prorating the cost of
16 the premium to pay for only what the
17 State determines is the portion of the pre-
18 mium that covers targeted low-income chil-
19 dren;

20 “(vi) using State funds to pay for
21 benefits above the Federal upper limit es-
22 tablished under subparagraph (C);

23 “(vii) allowing beneficiaries enrolled in
24 group health plans from changing plans to

1 another coverage option available under
2 this title at any time; or

3 “(viii) providing any guidance or in-
4 formation it deems appropriate in order to
5 help beneficiaries make an informed deci-
6 sion regarding the option to enroll in cov-
7 erage described in subparagraph (A).

8 “(I) GROUP HEALTH PLAN DEFINED.—In
9 this paragraph, the term ‘group health plan’
10 has the meaning given such term in section
11 2791(a)(1) of the Public Health Service Act (42
12 U.S.C. 300gg-91(a)(1)).”.

