

109TH CONGRESS
2^D SESSION

H. R. 6098

To amend title XXI of the Social Security Act to eliminate funding shortfalls for the State Children's Health Insurance Program (SCHIP) for fiscal year 2007.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 19, 2006

Mr. BARROW (for himself, Mr. BOSWELL, Mr. DINGELL, Mr. WAXMAN, Mr. BOUCHER, Mr. LEWIS of Georgia, Mr. PALLONE, Mr. BISHOP of Georgia, Mr. BROWN of Ohio, Mr. POMEROY, Mrs. CAPPES, Mr. MARSHALL, Mr. SCOTT of Georgia, Mr. MELANCON, and Ms. SCHWARTZ of Pennsylvania) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend title XXI of the Social Security Act to eliminate funding shortfalls for the State Children's Health Insurance Program (SCHIP) for fiscal year 2007.

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.**

4 This Act may be cited as the "Keep Kids Covered
5 Act of 2006".

1 **SEC. 2. ELIMINATION OF SCHIP FUNDING SHORTFALLS**
2 **FOR FISCAL YEAR 2007.**

3 (a) IN GENERAL.—Section 2104 of the Social Secu-
4 rity Act (42 U.S.C. 1397dd) is amended—

5 (1) in each of subsections (a), (b)(1), and
6 (c)(1), by striking “subsection (d)” and inserting
7 “subsections (d) and (h)”; and

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

10 “(h) SPECIAL RULE FOR REDISTRIBUTION OF
11 UNSPENT FISCAL YEAR 2004 ALLOTMENTS AND ADDI-
12 TIONAL ALLOTMENTS TO ELIMINATE FISCAL YEAR 2007
13 FUNDING SHORTFALLS.—

14 “(1) SPECIAL RULE FOR REDISTRIBUTION OF
15 FISCAL YEAR 2004 ALLOTMENTS.—

16 “(A) IN GENERAL.—In the case of a State
17 that expends all of its allotment under sub-
18 section (b) or (c) of this section for fiscal year
19 2004 by the end of fiscal year 2006 and is an
20 initial shortfall State described in subparagraph
21 (B), the Secretary shall redistribute to the
22 State under subsection (f) of this section (from
23 the fiscal year 2004 allotments of other States)
24 the following amount:

25 “(i) STATE.—In the case of one of the
26 50 States or the District of Columbia, the

1 amount specified in subparagraph (C)(i)
2 (less the total of the amounts under clause
3 (ii)), multiplied by the ratio of the amount
4 specified in subparagraph (C)(ii) for the
5 State to the amount specified in subpara-
6 graph (C)(iii).

7 “(ii) TERRITORY.—In the case of a
8 commonwealth or territory described in
9 subsection (c)(3), an amount that bears
10 the same ratio to 1.05 percent of the
11 amount specified in subparagraph (C)(i) as
12 the ratio of the commonwealth’s or terri-
13 tory’s fiscal year 2004 allotment under
14 subsection (c) bears to the total of all such
15 allotments for such fiscal year under such
16 subsection.

17 “(B) INITIAL SHORTFALL STATE DE-
18 SCRIBED.—For purposes of subparagraph (A),
19 an initial shortfall State is a State with a State
20 child health plan approved under this title for
21 which the Secretary estimates, on the basis of
22 the most recent data available to the Secretary
23 as of the date of the enactment of this sub-
24 section, that the projected Federal expenditures

1 under such plan for such State for fiscal year
2 2007 will exceed the sum of—

3 “(i) the amount of the State’s allot-
4 ments for each of fiscal years 2005 and
5 2006 that will not be expended by the end
6 of fiscal year 2006; and

7 “(ii) the amount of the State’s allot-
8 ment for fiscal year 2007.

9 “(C) AMOUNTS USED IN COMPUTING RE-
10 DISTRIBUTIONS FOR FISCAL YEAR 2004 ALLOT-
11 MENTS.—For purposes of subparagraph
12 (A)(i)—

13 “(i) the amount specified in this
14 clause is the total amount of unspent fiscal
15 year 2004 allotments available for redis-
16 tribution under subsection (f);

17 “(ii) the amount specified in this
18 clause for an initial shortfall State is the
19 amount the Secretary determines will
20 eliminate the estimated shortfall described
21 in subparagraph (B) for the State; and

22 “(iii) the amount specified in this
23 clause is the total sum of the amounts
24 specified in clause (ii) for all initial short-
25 fall States.

1 “(2) ADDITIONAL ALLOTMENTS TO ELIMINATE
2 FISCAL YEAR 2007 FUNDING SHORTFALLS REMAIN-
3 ING AFTER REDISTRIBUTION OF UNSPENT FISCAL
4 YEAR 2004 ALLOTMENTS.—

5 “(A) IN GENERAL.—In addition to the al-
6 lotments provided under subsection (b) and (c)
7 for fiscal year 2007, the Secretary shall allot to
8 each remaining shortfall State described in sub-
9 paragraph (B) such amount as the Secretary
10 determines will eliminate the estimated shortfall
11 described in such subparagraph for the State.

12 “(B) REMAINING SHORTFALL STATE DE-
13 SCRIBED.—For purposes of subparagraph (A),
14 a remaining shortfall State is a State (including
15 a commonwealth or territory described in sub-
16 section (c)(3)) with a State child health plan
17 approved under this title for which the Sec-
18 retary estimates, on the basis of the most re-
19 cent data available to the Secretary as of the
20 date of the enactment of this subsection, that
21 the projected federal expenditures under such
22 plan for such State for fiscal year 2007 will ex-
23 ceed the sum of—

24 “(i) the amount of the State’s allot-
25 ments for each of fiscal years 2005 and

1 2006 that will not be expended by the end
2 of fiscal year 2006;

3 “(ii) the amount of the State’s allot-
4 ment for fiscal year 2007; and

5 “(iii) the amount, if any, of unspent
6 allotments for fiscal year 2004 that are to
7 be redistributed to the State during fiscal
8 year 2007 in accordance with subsection
9 (f) and paragraph (1).

10 “(C) 1-YEAR AVAILABILITY; NO REDIS-
11 TRIBUTION OF UNEXPENDED ADDITIONAL AL-
12 LOTMENTS.—Notwithstanding subsections (e)
13 and (f), amounts allotted to a remaining short-
14 fall State pursuant to this paragraph shall only
15 remain available for expenditure by the State
16 through September 30, 2007. Any amounts of
17 such allotments that remain unexpended as of
18 such date shall not be subject to redistribution
19 under subsection (f) and shall revert to the
20 Treasury on October 1, 2007.

21 “(D) APPROPRIATION; ALLOTMENT AU-
22 THORITY.—For the purpose of providing addi-
23 tional allotments to remaining shortfall States
24 under this paragraph there is appropriated, out
25 of any funds in the Treasury not otherwise ap-

1 appropriated, such sums as are necessary for fis-
2 cal year 2007.”.

3 (b) EXTENDING AUTHORITY FOR QUALIFYING
4 STATES TO USE CERTAIN FUNDS FOR MEDICAID EX-
5 PENDITURES.—Section 2105(g)(1)(A) of the Social Secu-
6 rity Act (42 U.S.C. 1397ee(g)(1)(A)) is amended by strik-
7 ing “or 2005” and inserting “2005, or 2006”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section apply to items and services furnished on or
10 after October 1, 2006, without regard to whether or not
11 regulations implementing such amendments have been
12 issued.

13 (d) PERIOD OF EFFECTIVENESS.—Section
14 2104(h)(2) of the Social Security Act (as added by sub-
15 section (a)) shall terminate on September 30, 2007, and
16 shall be considered to have expired notwithstanding sec-
17 tion 257 of the Balanced Budget and Emergency Deficit
18 Control Act of 1985 (2 U.S.C. 907).

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