

H.R.6111

Tax Relief and Health Care Act of 2006 (Enrolled as Agreed to or Passed by Both House and Senate)

***One Hundred Ninth Congress
of the
United States of America
AT THE SECOND SESSION***

Begun and held at the City of Washington on Tuesday,
the third day of January, two thousand and six

An Act

To amend the Internal Revenue Code of 1986 to extend expiring provisions,
and for other purposes.

TITLE IV--MEDICAID AND OTHER HEALTH PROVISIONS

SEC. 401. EXTENSION OF TRANSITIONAL MEDICAL ASSISTANCE (TMA) AND ABSTINENCE EDUCATION PROGRAM.

Activities authorized by sections 510 and 1925 of the Social Security Act shall continue through June 30, 2007, in the manner authorized for fiscal year 2006, notwithstanding section 1902(e)(1)(A) of such Act, and out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated such sums as may be necessary for such purpose. Grants and payments may be made pursuant to this authority through the third quarter of fiscal year 2007 at the level provided for such activities through the third quarter of fiscal year 2006.

SEC. 402. GRANTS FOR RESEARCH ON VACCINE AGAINST VALLEY FEVER.

(a) In General- In supporting research on the development of vaccines against human diseases, the Secretary of Health and Human Services shall make grants for the purpose of conducting research toward the development of a vaccine against coccidioidomycosis (commonly known as Valley Fever).

(b) Sunset- No grant may be made under subsection (a) on or after October 1, 2012. The preceding sentence does not have any legal effect on payments under grants for which amounts appropriated under subsection (c) were obligated prior to such date.

(c) Authorization of Appropriations- For the purpose of making grants under subsection (a), there are authorized to be appropriated \$40,000,000 for the period of fiscal years 2007 through 2012.

SEC. 403. CHANGE IN THRESHOLD FOR MEDICAID INDIRECT HOLD HARMLESS PROVISION OF BROAD-BASED HEALTH CARE TAXES.

Section 1903(w)(4)(C) of the Social Security Act (42 U.S.C. 1396b(w)(4)(C)) is amended--

(1) by inserting '(i)' after '(C)'; and

(2) by adding at the end the following:

(ii) For purposes of clause (i), a determination of the existence of an indirect guarantee shall be made under paragraph (3)(i) of section 433.68(f) of title 42, Code of Federal Regulations, as in effect on November 1, 2006, except that for portions of fiscal years beginning on or after January 1, 2008, and before October 1, 2011, '5.5 percent' shall be substituted for '6 percent' each place it appears.'

SEC. 404. DSH ALLOTMENTS FOR FISCAL YEAR 2007 FOR TENNESSEE AND HAWAII.

Section 1923(f)(6) of the Social Security Act (42 U.S.C. 1396r-4(f)(6)) is amended to read as follows:

(6) ALLOTMENT ADJUSTMENTS FOR FISCAL YEAR 2007-

(A) TENNESSEE-

(i) IN GENERAL- Only with respect to fiscal year 2007, the DSH allotment for Tennessee for such fiscal year, notwithstanding the table set forth in paragraph (2) or the terms of the TennCare Demonstration Project in effect for the State, shall be the greater of--

(I) the amount that the Secretary determines is equal to the Federal medical assistance percentage component attributable to disproportionate share hospital payment adjustments for the demonstration year ending in 2006 that is reflected in the budget

neutrality provision of the TennCare Demonstration Project; and

` (II) \$280,000,000.

` (ii) LIMITATION ON AMOUNT OF PAYMENT ADJUSTMENTS ELIGIBLE FOR FEDERAL FINANCIAL PARTICIPATION- Payment under section 1903(a) shall not be made to Tennessee with respect to the aggregate amount of any payment adjustments made under this section for hospitals in the State for fiscal year 2007 that is in excess of 30 percent of the DSH allotment for the State for such fiscal year determined pursuant to clause (i).

` (iii) STATE PLAN AMENDMENT- The Secretary shall permit Tennessee to submit an amendment to its State plan under this title that describes the methodology to be used by the State to identify and make payments to disproportionate share hospitals, including children's hospitals and institutions for mental diseases or other mental health facilities. The Secretary may not approve such plan amendment unless the methodology described in the amendment is consistent with the requirements under this section for making payment adjustments to disproportionate share hospitals. For purposes of demonstrating budget neutrality under the TennCare Demonstration Project, payment adjustments made pursuant to a State plan amendment approved in accordance with this subparagraph shall be considered expenditures under such project.

` (iv) OFFSET OF FEDERAL SHARE OF PAYMENT ADJUSTMENTS FOR FISCAL YEAR 2007 AGAINST ESSENTIAL ACCESS HOSPITAL SUPPLEMENTAL POOL PAYMENTS UNDER THE TENNCARE DEMONSTRATION PROJECT-

` (I) The total amount of Essential Access Hospital supplemental pool payments that may be made under the TennCare Demonstration Project for fiscal year 2007 shall be reduced on a dollar for dollar basis by the amount of any payments made under section 1903(a) to Tennessee with respect to payment adjustments made under this section for hospitals in the State for such fiscal year.

`(II) The sum of the total amount of payments made under section 1903(a) to Tennessee with respect to payment adjustments made under this section for hospitals in the State for fiscal year 2007 and the total amount of Essential Access Hospital supplemental pool payments made under the TennCare Demonstration Project for such fiscal year shall not exceed the State's DSH allotment for such fiscal year established under clause (i).

`(B) HAWAII-

`(i) IN GENERAL- Only with respect to fiscal year 2007, the DSH allotment for Hawaii for such fiscal year, notwithstanding the table set forth in paragraph (2), shall be \$10,000,000.

`(ii) STATE PLAN AMENDMENT- The Secretary shall permit Hawaii to submit an amendment to its State plan under this title that describes the methodology to be used by the State to identify and make payments to disproportionate share hospitals, including children's hospitals and institutions for mental diseases or other mental health facilities. The Secretary may not approve such plan amendment unless the methodology described in the amendment is consistent with the requirements under this section for making payment adjustments to disproportionate share hospitals.'

SEC. 405. CERTAIN MEDICAID DRA TECHNICAL CORRECTIONS.

(a) Technical Corrections Relating to State Option for Alternative Premiums and Cost Sharing (Sections 6041 Through 6043)-

(1) CLARIFICATION OF CONTINUED APPLICATION OF REGULAR COST SHARING RULES FOR INDIVIDUALS WITH FAMILY INCOME NOT EXCEEDING 100 PERCENT OF THE POVERTY LINE- Section 1916A of the Social Security Act, as inserted by section 6041(a) of the Deficit Reduction Act of 2005 and amended by sections 6042 and 6043 of such Act, is amended--

(A) in subsection (a)(1)--

(i) by inserting `but subject to paragraph (2),' after `1902(a)(10)(B),'; and

(ii) by inserting `and non-emergency services furnished in a hospital emergency department for

which cost sharing may be imposed under subsection (e)' after '(c)';

(B) by redesignating paragraph (2) of subsection (a) as paragraph (3);

(C) in subsection (a), by inserting after paragraph (1) the following:

`(2) EXEMPTION FOR INDIVIDUALS WITH FAMILY INCOME NOT EXCEEDING 100 PERCENT OF THE POVERTY LINE-

`(A) IN GENERAL- Paragraph (1) and subsection (d) shall not apply, and sections 1916 and 1902(a)(10)(B) shall continue to apply, in the case of an individual whose family income does not exceed 100 percent of the poverty line applicable to a family of the size involved.

`(B) LIMIT ON AGGREGATE COST SHARING- To the extent cost sharing under subsections (c) and (e) or under section 1916 is imposed against individuals described in subparagraph (A), the limitation under subsection (b)(1)(B)(ii) on the total aggregate amount of cost sharing shall apply to such cost sharing for all individuals in a family described in subparagraph (A) in the same manner as such limitations apply to cost sharing and families described in subsection (b)(1)(B)(ii).';

(D) in subsections (c)(2)(C) and (e)(2)(C), by inserting 'under subsection (a)(2)(B) or' after 'cap on cost sharing applied'; and

(E) in subsection (e)(2)(A), by inserting 'who is not described in subparagraph (B)' after 'subsection (b)(1)'.
(2) CLARIFICATION OF TREATMENT OF NON-PREFERRED DRUG AND NON-EMERGENCY COST-SHARING- Such section is further amended--

(A) in subsections (b)(1) and (b)(2), by striking ', subject to subsections (c)(2) and (e)(2)(A)';

(B) in subsection (c)(1), in the matter preceding subparagraph (A), by striking 'least (or less) costly effective' and inserting 'most (or more) cost effective';

(C) in subsection (c)(1)(B), by striking 'otherwise be imposed under' and inserting 'be imposed under subsection (a) due to the application of';

(D) in subsection (c)(2)(B), by striking 'otherwise not subject to cost sharing due to the application of subsection (b)(3)(B)' and inserting 'not subject to cost sharing under subsection (a) due to the application of paragraph (1)(B)';

(E) in subsection (e)(2)(A)--

(i) by amending the heading to read as follows:
`INDIVIDUALS WITH FAMILY INCOME BETWEEN 100
AND 150 PERCENT OF THE POVERTY LINE- ';

(ii) by striking `under subsection (b)(1)' and
inserting `under subsection (b)(1)(B)(ii)';

(F) in subsection (e)(2)(B), by striking `who is otherwise
not subject to cost sharing under subsection (b)(3)' and
inserting `described in subsection (a)(2)(A) or who is not
subject to cost sharing under subsection (b)(3)(B) with
respect to non-emergency services described in paragraph
(1)'; and

(G) in subsection (e)(2)(C), by inserting `or section 1916'
after `subsection (a)'.

(3) CLARIFICATION OF COST SHARING RULES APPLICABLE TO
DISABLED CHILDREN PROVIDED MEDICAL ASSISTANCE UNDER
THE ELIGIBILITY CATEGORY ADDED BY THE FAMILY
OPPORTUNITY ACT- Such section is further amended--

(A) in subsection (a)(1), in the second sentence, by
striking `section 1916(g)' and inserting `subsection (g) or
(i) of section 1916'; and

(B) in subsection (b)(3)--

(i) in subparagraph (A), by adding at the end the
following:

`(vi) Disabled children who are receiving medical
assistance by virtue of the application of sections
1902(a)(10)(A)(ii)(XIX) and 1902(cc).'; and

(ii) in subparagraph (B), by adding at the end the
following:

`(ix) Services furnished to disabled children who are
receiving medical assistance by virtue of the
application of sections 1902(a)(10)(A)(ii)(XIX) and
1902(cc).'

(4) CORRECTION OF IV-B REFERENCES- Such section is further
amended in subsection (b)(3)--

(A) in subparagraph (A)(i), by striking `aid or assistance is
made available under part B of title IV to children in foster
care' and inserting `child welfare services are made
available under part B of title IV on the basis of being a
child in foster care'; and

(B) in subparagraph (B)(i), by striking `aid or assistance is
made available under part B of title IV to children in foster
care' and inserting `child welfare services are made
available under part B of title IV on the basis of being a
child in foster care or'.

(5) NON-EMERGENCY SERVICES- Section 1916A(e)(4)(A) of the Social Security Act, as added by section 6043(a) of the Deficit Reduction Act of 2005, is amended by striking 'the physician determines'.

(6) EFFECTIVE DATE- The amendments made by this subsection shall take effect as if included in the amendments made by sections 6041(a) of the Deficit Reduction Act of 2005, except that insofar as such amendments are to, or relate to, subsection (c) or (e) of section 1916A of the Social Security Act, such amendments shall take effect as if included in the amendments made by section 6042 or 6043, respectively, of the Deficit Reduction Act of 2005.

(b) Clarifying Treatment of Certain Annuities (Section 6012)-

(1) IN GENERAL- Section 1917(c)(1)(F)(i) of the Social Security Act (42 U.S.C. 1396p(c)(1)(F)(i)), as added by section 6012(b) of the Deficit Reduction Act of 2005, is amended by striking 'annuitant' and inserting 'institutionalized individual'.

(2) EFFECTIVE DATE- The amendment made by paragraph (1) shall be effective as if included in the enactment of section 6012 of the Deficit Reduction Act of 2005.

(c) Additional Miscellaneous Technical Corrections-

(1) DOCUMENTATION (SECTION 6036)-

(A) IN GENERAL- Effective as if included in the amendment made by section 6036(a)(2) of the Deficit Reduction Act of 2005, section 1903(x) of the Social Security Act (42 U.S.C. 1396b(x)), as inserted by such section 6036(a)(2), is amended--

(i) in paragraph (1), by striking '(i)(23)' and inserting '(i)(22)';

(ii) in paragraph (2)--

(I) in the matter preceding subparagraph (A), by striking 'alien' and inserting 'individual declaring to be a citizen or national of the United States';

(II) by striking subparagraph (B) and inserting the following:

'(B) and is receiving--

'(i) disability insurance benefits under section 223 or monthly insurance benefits under section 202 based on such individual's disability (as defined in section 223(d)); or

'(ii) supplemental security income benefits under title XVI;';

(III) in subparagraph (C)--

(aa) by striking `other'; and

(bb) by striking `had' and inserting `has';

(IV) by redesignating subparagraph (C) as subparagraph (D); and

(V) by inserting after subparagraph (B) the following new subparagraph:

`(C) and with respect to whom--

`(i) child welfare services are made available under part B of title IV on the basis of being a child in foster care; or

`(ii) adoption or foster care assistance is made available under part E of title IV; or'; and

(iii) in paragraph (3)(C)(iii), by striking `I-97' and inserting `I-197'.

(B) ASSURANCE OF STATE FOSTER CARE AGENCY VERIFICATION OF CITIZENSHIP OR LEGAL STATUS-

(i) STATE PLAN AMENDMENT- Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended--

(I) in paragraph (25), by striking `and' at the end;

(II) in paragraph (26)(C), by striking the period at the end and inserting `; and'; and

(III) by adding at the end the following:

`(27) provides that, with respect to any child in foster care under the responsibility of the State under this part or part B and without regard to whether foster care maintenance payments are made under section 472 on behalf of the child, the State has in effect procedures for verifying the citizenship or immigration status of the child.'.

(ii) INCLUSION IN REVIEWS OF CHILD AND FAMILY SERVICES PROGRAMS- Section 1123A(b)(2) of the Social Security Act (42 U.S.C. 1320a-2a(b)(2)) is amended by inserting `(which shall include determining whether the State program is in conformity with the requirement of section 471(a)(27))' after `review'.

(iii) EFFECTIVE DATE- The amendments made by this subparagraph shall take effect on the date that is 6 months after the date of the enactment of this Act.

(2) MISCELLANEOUS TECHNICAL CORRECTIONS-

(A) Effective as if included in the enactment of the Deficit Reduction Act of 2005 (Public Law 109-171), the following sections of such Act are amended as follows:

(i) Section 5114(a)(2) is amended by striking `section 1842(b)(6)(F) of such Act (42 U.S.C. 1395u(b)(6)(F))' and inserting `section 1842(b)(6) of such Act (42 U.S.C. 1395u(b)(6))'.

(ii) Section 6003(b)(2) is amended, by striking `subsection (k)' and inserting `subsection (k)(1)'.

(iii) Sections 6031(b), 6032(b), and 6035(c) are each amended by striking `section 6035(e)' and inserting `section 6034(e)'.

(iv) Section 6034(b) is amended by striking `section 6033(a)' and inserting `section 6032(a)'.

(v) Section 6036 is amended--

(I) in subsection (b), by striking `section 1903(z)' and inserting `section 1903(x)'; and
(II) in subsection (c), by striking `(i)(23)' and inserting `(i)(22)'.

(B) Effective as if included in the amendment made by section 6015(a)(1) of the Deficit Reduction Act of 2005, section 1919(c)(5)(A)(i)(II) of the Social Security Act (42 U.S.C. 1396r(c)(5)(A)(i)(II)) is amended by striking `clause (v)' and inserting `subparagraph (B)(v)'.