PREFACE

This 2-volume compilation contains historical documents pertaining to P.L. 105-33, the "Balanced Budget Act of 1997." These books contain congressional debates and a chronological compilation of documents pertinent to the legislative history of the public law.

Pertinent documents include:

- Differing versions of key bills
- Committee Reports
- Excerpts from the Congressional Record
- The Public Law
- Legislative Bulletins

The books are prepared by the Office of the Deputy Commissioner for Legislation and Congressional Affairs and are designed to serve as helpful resource tools for those charged with interpreting laws administered by the Social Security Administration.
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[Report No. 105–149]

To provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998.

IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 1997

Mr. KASICH from the Committee on the Budget, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Balanced Budget Act of 1997”.

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SEC. 4308. PROVISION OF CERTAIN IDENTIFICATION NUMBERS.

(a) REQUIREMENTS TO DISCLOSE EMPLOYER IDENTIFICATION NUMBERS (EINS) AND SOCIAL SECURITY ACCOUNT NUMBERS (SSNs).—Section 1124(a)(1) (42 U.S.C. 1320a–3(a)(1)) is amended by inserting before the period at the end the following: “and supply the Secretary with the both the employer identification number (assigned pursuant to section 6109 of the Internal Revenue
Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing entity, each person with an ownership or control interest (as defined in subsection (a)(3)), and any subcontractor in which the entity directly or indirectly has a 5 percent or more ownership interest. Use of the social security account number under this section shall be limited to identity verification and identity matching purposes only. The social security account number shall not be disclosed to any person or entity other than the Secretary, the Social Security Administration, or the Secretary of the Treasury, In obtaining the social security account numbers of the disclosing entity and other persons described in this section, the Secretary shall comply with section 7 of the Privacy Act of 1974 (5 U.S.C. 552a note)"

(b) OTHER MEDICARE PROVIDERS.—Section 1124A (42 U.S.C. 1320a–3a) is amended—

(1) in subsection (a)—

(A) by striking “and” at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting “; and”; and

(C) by adding at the end the following new paragraph:
"(3) including the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing part B provider and any person, managing employee, or other entity identified or described under paragraph (1) or (2)."; and

(2) in subsection (c) by inserting "(or, for purposes of subsection (a)(3), any entity receiving payment)" after "on an assignment-related basis".

(c) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION (SSA).—Section 1124A (42 U.S.C. 1320a–3a) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c) VERIFICATION.—

"(1) TRANSMITTAL BY HHS.—The Secretary shall transmit—

"(A) to the Commissioner of Social Security information concerning each social security account number (assigned under section 205(c)(2)(B)), and
"(B) to the Secretary of the Treasury information concerning each employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986), supplied to the Secretary pursuant to subsection (a)(3) or section 1124(c) to the extent necessary for verification of such information in accordance with paragraph (2).

"(2) VERIFICATION.—The Commissioner of Social Security and the Secretary of the Treasury shall verify the accuracy of, or correct, the information supplied by the Secretary to such official pursuant to paragraph (1), and shall report such verifications or corrections to the Secretary.

"(3) FEES FOR VERIFICATION.—The Secretary shall reimburse the Commissioner and Secretary of the Treasury, at a rate negotiated between the Secretary and such official, for the costs incurred by such official in performing the verification and correction services described in this subsection."

(d) REPORT.—Before this subsection shall be effective, the Secretary of Health and Human Services shall submit to Congress a report on steps the Secretary has taken to assure the confidentiality of social security account numbers that will be provided to the Secretary
under the amendments made by this section. If Congress
determines that the Secretary has not taken adequate
steps to assure the confidentiality of social security ac-
count numbers to be provided to the Secretary under the
amendments made by this section, the amendments made
by this section shall not take effect.

(e) EFFECTIVE DATES.—Subject to subsection (d)—

(1) the amendment made by subsection (a)
shall apply to the application of conditions of partici-
pation, and entering into and renewal of contracts
and agreements, occurring more than 90 days after
the date of submission of the report under sub-
section (d); and

(2) the amendments made by subsection (b)
shall apply to payment for items and services fur-
nished more than 90 days after the date of submis-
sion of such report.
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Sec. 9000. Table of contents.

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SEC. 9101. REQUIREMENT TO PERFORM CHILDHOOD DISABILITY REDETERMINATIONS IN MISSED CASES.

Section 211(d)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (110 Stat. 2190) is amended—

(1) in subparagraph (A)—

(A) in the 1st sentence, by striking “1 year” and inserting “18 months”; and

(B) by inserting after the 1st sentence the following: “Any redetermination required by the preceding sentence that is not performed before the end of the period described in the preceding sentence shall be performed as soon as is practicable thereafter.”; and

(2) in subparagraph (C), by adding at the end the following: “Before commencing a redetermination under the 2nd sentence of subparagraph (A), in any case in which the individual involved has not already been notified of the provisions of this paragraph, the Commissioner of Social Security shall notify the individual involved of the provisions of this paragraph.”.
SEC. 9102. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENTS APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS.

Section 1618 of the Social Security Act (42 U.S.C. 1382g) is repealed.

SEC. 9103. FEES FOR FEDERAL ADMINISTRATION OF STATE SUPPLEMENTARY PAYMENTS.

(a) Fee Schedule.—

(1) Optional State Supplementary Payments.—

(A) In general.—Section 1616(d)(2)(B) of the Social Security Act (42 U.S.C. 1382e(d)(2)(B)) is amended—

(i) by striking “and” at the end of clause (iii); and

(ii) by striking clause (iv) and inserting the following:

"(iv) for fiscal year 1997, $5.00;

(v) for fiscal year 1998, $6.20;

(vi) for fiscal year 1999, $7.60;

(vii) for fiscal year 2000, $7.80;

(viii) for fiscal year 2001, $8.10;

(ix) for fiscal year 2002, $8.50; and

(x) for fiscal year 2003 and each succeeding fiscal year—
“(I) the applicable rate in the preceding fiscal year, increased by the percentage, if any, by which the Consumer Price Index for the month of June of the calendar year of the increase exceeds the Consumer Price Index for the month of June of the calendar year preceding the calendar year of the increase, and rounded to the nearest whole cent; or

“(II) such different rate as the Commissioner determines is appropriate for the State.”.

(B) CONFORMING AMENDMENT.—Section 1616(d)(2)(C) of such Act (42 U.S.C. 1382e(d)(2)(C)) is amended by striking “(B)(iv)” and inserting “(B)(x)(II)”.

(2) MANDATORY STATE SUPPLEMENTARY PAYMENTS.—

(A) IN GENERAL.—Section 212(b)(3)(B)(ii) of Public Law 93–66 (42 U.S.C. 1382 note) is amended—

(i) by striking “and” at the end of subclause (III); and

(ii) by striking subclause (IV) and inserting the following:

“(IV) for fiscal year 1997, $5.00;

“(V) for fiscal year 1998, $6.20;
“(VI) for fiscal year 1999, $7.60;
“(VII) for fiscal year 2000, $7.80;
“(VIII) for fiscal year 2001, $8.10;
“(IX) for fiscal year 2002, $8.50; and
“(X) for fiscal year 2003 and each succeeding fiscal year—
“(aa) the applicable rate in the preceding fiscal year, increased by the percentage, if any, by which the Consumer Price Index for the month of June of the calendar year of the increase exceeds the Consumer Price Index for the month of June of the calendar year preceding the calendar year of the increase, and rounded to the nearest whole cent; or
“(bb) such different rate as the Commissioner determines is appropriate for the State.”.

(B) CONFORMING AMENDMENT.—Section 212(b)(3)(B)(iii) of such Act (42 U.S.C. 1382 note) is amended by striking “(ii)(IV)” and inserting “(ii)(X)(bb)”.

(b) USE OF NEW FEES TO DEFRAY THE SOCIAL SECURITY ADMINISTRATION’S ADMINISTRATIVE EXPENSES.—

(1) CREDIT TO SPECIAL FUND FOR FISCAL YEAR 1998 AND SUBSEQUENT YEARS.—
(A) Optional State Supplementary Payment Fees.—Section 1616(d)(4) of the Social Security Act (42 U.S.C. 1382e(d)(4)) is amended to read as follows:

“(4)(A) The first $5 of each administration fee assessed pursuant to paragraph (2), upon collection, shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.

“(B) That portion of each administration fee in excess of $5, and 100 percent of each additional services fee charged pursuant to paragraph (3), upon collection for fiscal year 1998 and each subsequent fiscal year, shall be credited to a special fund established in the Treasury of the United States for State supplementary payment fees. The amounts so credited, to the extent and in the amounts provided in advance in appropriations Acts, shall be available to defray expenses incurred in carrying out this title and related laws.”

(B) Mandatory State Supplementary Payment Fees.—Section 212(b)(3)(D) of Public Law 93–66 (42 U.S.C. 1382 note) is amended to read as follows:

“(D)(i) The first $5 of each administration fee assessed pursuant to subparagraph (B), upon collection,
shall be deposited in the general fund of the Treasury of
the United States as miscellaneous receipts.

“(ii) The portion of each administration fee in excess
of $5, and 100 percent of each additional services fee
charged pursuant to subparagraph (C), upon collection for
fiscal year 1998 and each subsequent fiscal year, shall be
credited to a special fund established in the Treasury of
the United States for State supplementary payment fees.
The amounts so credited, to the extent and in the amounts
provided in advance in appropriations Acts, shall be avail-
able to defray expenses incurred in carrying out this sec-
tion and title XVI of the Social Security Act and related
laws.”.

(2) LIMITATIONS ON AUTHORIZATION OF AP-
PROPRIATIONS.—From amounts credited pursuant
to section 1616(d)(4)(B) of the Social Security Act
and section 212(b)(3)(D)(ii) of Public Law 93–66 to
the special fund established in the Treasury of the
United States for State supplementary payment
fees, there is authorized to be appropriated an
amount not to exceed $35,000,000 for fiscal year
1998, and such sums as may be necessary for each
fiscal year thereafter.
Subtitle D—Restricting Welfare and Public Benefits for Aliens

SEC. 9301. EXTENSION OF ELIGIBILITY PERIOD FOR REFUGEES AND CERTAIN OTHER QUALIFIED ALIENS FROM 5 TO 7 YEARS FOR SSI AND MEDICAID.

(a) SSI.—Section 402(a)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A)) is amended to read as follows:

“(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

“(i) SSI.—With respect to the specified Federal program described in para-
paragraph (3)(A) paragraph 1 shall not apply to an alien until 7 years after the date—

"(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

"(II) an alien is granted asylum under section 208 of such Act; or

"(III) an alien's deportation is withheld under section 243(h) of such Act."

"(ii) FOOD STAMPS.—With respect to the specified Federal program described in paragraph (3)(B), paragraph 1 shall not apply to an alien until 5 years after the date—

"(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

"(II) an alien is granted asylum under section 208 of such Act; or

"(III) an alien's deportation is withheld under section 243(h) of such Act."
(b) MEDICAID.—Section 402(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)(A)) is amended to read as follows:

"(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

"(i) MEDICAID.—With respect to the designated Federal program described in paragraph (3)(C), paragraph 1 shall not apply to an alien until 7 years after the date—

"(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

"(II) an alien is granted asylum under section 208 of such Act; or

"(III) an alien’s deportation is withheld under section 243(h) of such Act.

"(ii) OTHER DESIGNATED FEDERAL PROGRAMS.—With respect to the designated Federal programs under paragraph (3) (other than subparagraph (C)), par-
graph 1 shall not apply to an alien until 5 years after the date—

“(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

“(II) an alien is granted asylum under section 208 of such Act; or

“(III) an alien’s deportation is withheld under section 243(h) of such Act.”.

SEC. 9302. SSI ELIGIBILITY FOR ALIENS RECEIVING SSI ON AUGUST 22, 1996.

(a) IN GENERAL.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding after subparagraph (D) the following new subparagraph:

“(E) ALIENS RECEIVING SSI ON AUGUST 22, 1996.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to an alien who was receiving such benefits on August 22, 1996.”.
(b) STATUS OF CUBAN AND HAITIAN ENTRANTS AND AMERASIAN PERMANENT RESIDENT ALIENS.—For purposes of section 402(a)(2)(E) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the following aliens shall be considered qualified aliens:

1. An alien who is a Cuban and Haitian entrant as defined in section 501(e) of the Refugee Education Assistance Act of 1980.

2. An alien admitted to the United States as an Amerasian immigrant pursuant to section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, as contained in section 101(e) of Public Law 100-202, (other than an alien admitted pursuant to section 584(b)(1)(C)).

(c) CONFORMING AMENDMENTS.—Section 402(a)(2)(D) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(D)) is amended—

1. by striking clause (i);
2. in the subparagraph heading by striking "BENEFITS" and inserting "FOOD STAMPS";
3. "(ii) FOOD STAMPS'.—";
4. (3) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii).
SEC. 9303. SSI ELIGIBILITY FOR PERMANENT RESIDENT ALIENS WHO ARE MEMBERS OF AN INDIAN TRIBE.

Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) (as amended by section 9302) is amended by adding after subparagraph (E) the following new subparagraph:

“(F) PERMANENT RESIDENT ALIENS WHO ARE MEMBERS OF AN INDIAN TRIBE.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to an alien who—

“(i) is lawfully admitted for permanent residence under the Immigration and Nationality Act; and

“(ii) is a member of an Indian tribe (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act).”.

SEC. 9304. VERIFICATION OF ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS.

(a) IN GENERAL.—The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding after section 412 the following new section:
SEC. 413. AUTHORIZATION FOR VERIFICATION OF ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS.

"A State or political subdivision of a State is authorized to require an applicant for State and local public benefits (as defined in section 411(c)) to provide proof of eligibility."

(b) CLERICAL AMENDMENT.—Section 2 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding after the item related to section 412 the following:

"Sec. 413. Authorization for verification of eligibility for state and local public benefits."

SEC. 9305. DERivative ELIGIBILITY FOR BENEFITS.

(a) IN GENERAL.—The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding after section 435 the following new section:

"SEC. 436. DERIVATIVE ELIGIBILITY FOR BENEFITS.

"(a) FOOD STAMPS.—Notwithstanding any other provision of law, an alien who under the provisions of this title is ineligible for benefits under the food stamp program (as defined in section 402(a)(3)(A)) shall not be eligible for such benefits because the alien receives benefits under the supplemental security income program (as defined in section 402(a)(3)(B))."
“(b) MEDICAID.—Notwithstanding any other provision of this title, an alien who under the provisions of this title is ineligible for benefits under the medicaid program (as defined in section 402(b)(3)(C)) shall be eligible for such benefits if the alien is receiving benefits under the supplemental security income program and title XIX of the Social Security Act provides for such derivative eligibility.”.

(b) CLERICAL AMENDMENT.—Section 2 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding after the item related to section 435 the following:

“Sec. 436. Derivative eligibility for benefits.”.

SEC. 9306. EFFECTIVE DATE.

Except as otherwise provided, the amendments made by this subtitle shall be effective as if included in the enactment of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
TITLE X—COMMITTEE ON WAYS AND MEANS—MEDICARE

SEC. 10000. AMENDMENTS TO SOCIAL SECURITY ACT AND REFERENCES TO OBRA; TABLE OF CONTENTS OF TITLE.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.


(c) TABLE OF CONTENTS OF TITLE.—The table of contents of this title is as follows:

Sec. 10000. Amendments to Social Security Act and references to OBRA; table of contents of title.

Subtitle A—MedicarePlus Program
CHAPTER 1—MEDICAREPLUS PROGRAM

SUBCHAPTER A—MEDICAREPLUS PROGRAM

Sec. 10001. Establishment of MedicarePlus program.

"PART C—MEDICAREPLUS PROGRAM

"Sec. 1851. Eligibility, election, and enrollment.
"Sec. 1852. Benefits and beneficiary protections.
"Sec. 1853. Payments to MedicarePlus organizations.
"Sec. 1854. Premiums.
"Sec. 1855. Organizational and financial requirements for MedicarePlus organizations; provider-sponsored organizations.
"Sec. 1856. Establishment of standards.
"Sec. 1857. Contracts with MedicarePlus organizations.
"Sec. 1859. Definitions; miscellaneous provisions.

Sec. 10002. Transitional rules for current medicare HMO program.
Sec. 10003. Conforming changes in medigap program.

SUBCHAPTER B—SPECIAL RULES FOR MEDICAREPLUS MEDICAL SAVINGS ACCOUNTS

Sec. 10006. MedicarePlus MSA.

CHAPTER 2—INTEGRATED LONG-TERM CARE PROGRAMS

SUBCHAPTER A—PROGRAMS OF ALL-INCLUSIVE CARE FOR THE ELDERLY (PACE)

Sec. 10011. Coverage of PACE under the medicare program.
Sec. 10012. Establishment of PACE program as medicaid State option.
Sec. 10013. Effective date; transition.
Sec. 10014. Study and reports.

SUBCHAPTER B—SOCIAL HEALTH MAINTENANCE ORGANIZATIONS

Sec. 10015. Social health maintenance organizations (SHMOs).

SUBCHAPTER C—OTHER PROGRAMS

Sec. 10018. Orderly transition of municipal health service demonstration projects.
Sec. 10019. Extension of certain medicare community nursing organization demonstration projects.

CHAPTER 3—MEDICARE PAYMENT ADVISORY COMMISSION

Sec. 10021. Medicare Payment Advisory Commission.

CHAPTER 4—MEDIGAP PROTECTIONS

Sec. 10031. Medigap protections.
Sec. 10032. Medicare prepaid competitive pricing demonstration project.

CHAPTER 5—TAX TREATMENT OF HOSPITALS PARTICIPATING IN PROVIDER-SPONSORED ORGANIZATIONS

Sec. 10041. Tax treatment of hospitals which participate in provider-sponsored organizations.
Subtitle B—Prevention Initiatives

Sec. 10101. Screening mammography.
Sec. 10102. Screening pap smear and pelvic exams.
Sec. 10103. Prostate cancer screening tests.
Sec. 10104. Coverage of colorectal screening.
Sec. 10105. Diabetes screening tests.
Sec. 10106. Standardization of medicare coverage of bone mass measurements.
Sec. 10107. Vaccines outreach expansion.
Sec. 10108. Study on preventive benefits.

Subtitle C—Rural Initiatives

Sec. 10201. Rural primary care hospital program.
Sec. 10202. Prohibiting denial of request by rural referral centers for reclassification on basis of comparability of wages.
Sec. 10203. Hospital geographic reclassification permitted for purposes of disproportionate share payment adjustments.
Sec. 10204. Medicare-dependent, small rural hospital payment extension.
Sec. 10205. Geographic reclassification for certain disproportionately large hospitals.
Sec. 10206. Floor on area wage index.
Sec. 10207. Informatics, telemedicine, and education demonstration project.

Subtitle D—Anti-Fraud and Abuse Provisions

Sec. 10301. Permanent exclusion for those convicted of 3 health care related crimes.
Sec. 10302. Authority to refuse to enter into medicare agreements with individuals or entities convicted of felonies.
Sec. 10303. Inclusion of toll-free number to report medicare waste, fraud, and abuse in explanation of benefits forms.
Sec. 10304. Liability of medicare carriers and fiscal intermediaries for claims submitted by excluded providers.
Sec. 10305. Exclusion of entity controlled by family member of a sanctioned individual.
Sec. 10306. Imposition of civil money penalties.
Sec. 10307. Disclosure of information and surety bonds.
Sec. 10308. Provision of certain identification numbers.
Sec. 10309. Advisory opinions regarding certain physician self-referral provisions.
Sec. 10310. Other fraud and abuse related provisions.

Subtitle E—Prospective Payment Systems

CHAPTER 1—PAYMENT UNDER PART A

Sec. 10401. Prospective payment for skilled nursing facility services.
Sec. 10402. Prospective payment for inpatient rehabilitation hospital services.

CHAPTER 2—PAYMENT UNDER PART B

SUBCHAPTER A—PAYMENT FOR HOSPITAL OUTPATIENT DEPARTMENT SERVICES

Sec. 10411. Elimination of formula-driven overpayments (FDO) for certain outpatient hospital services.
Sec. 10412. Extension of reductions in payments for costs of hospital outpatient services.

Sec. 10413. Prospective payment system for hospital outpatient department services.

SUBCHAPTER B—REHABILITATION SERVICES

Sec. 10421. Rehabilitation agencies and services.
Sec. 10422. Comprehensive outpatient rehabilitation facilities (corf).

SUBCHAPTER C—AMBULANCE SERVICES

Sec. 10431. Payments for ambulance services.
Sec. 10432. Demonstration of coverage of ambulance services under medicare through contracts with units of local government.

CHAPTER 3—PAYMENT UNDER PARTS A AND B

Sec. 10441. Prospective payment for home health services.

Subtitle F—Provisions Relating to Part A

CHAPTER 1—PAYMENT OF PPS HOSPITALS

Sec. 10501. PPS hospital payment update.
Sec. 10502. Capital payments for PPS hospitals.
Sec. 10503. Freeze in disproportionate share.
Sec. 10504. Medicare capital asset sales price equal to book value.
Sec. 10505. Elimination of IME and DSH payments attributable to outlier payments.
Sec. 10506. Reduction in adjustment for indirect medical education.
Sec. 10507. Treatment of transfer cases.
Sec. 10508. Increase base payment rate to Puerto Rico hospitals.

CHAPTER 2—PAYMENT OF PPS EXEMPT HOSPITALS

Sec. 10511. Payment update.
Sec. 10512. Reductions to capital payments for certain PPS-exempt hospitals and units.
Sec. 10513. Cap on TEFRA limits.
Sec. 10514. Change in bonus and relief payments.
Sec. 10515. Change in payment and target amount for new providers.
Sec. 10516. Rebasing.
Sec. 10517. Treatment of certain long-term care hospitals.
Sec. 10518. Elimination of exemptions; report on exceptions and adjustments.

CHAPTER 3—PROVISIONS RELATED TO HOSPICE SERVICES

Sec. 10521. Payments for hospice services.
Sec. 10522. Payment for home hospice care based on location where care is furnished.
Sec. 10523. Hospice care benefits periods.
Sec. 10524. Other items and services included in hospice care.
Sec. 10525. Contracting with independent physicians or physician groups for hospice care services permitted.
Sec. 10526. Waiver of certain staffing requirements for hospice care programs in non-urbanized areas.
Sec. 10527. Limitation on liability of beneficiaries for certain hospice coverage denials.
Sec. 10528. Extending the period for physician certification of an individual's terminal illness.
Sec. 10529. Effective date.

CHAPTER 4—MODIFICATION OF PART A HOME HEALTH BENEFIT

Sec. 10531. Modification of part A home health benefit for individuals enrolled under part B.

CHAPTER 5—OTHER PAYMENT PROVISIONS

Sec. 10541. Reductions in payments for enrollee bad debt.
Sec. 10542. Permanent extension of hemophilia pass-through.
Sec. 10543. Reduction in part A medicare premium for certain public retirees.

Subtitle G—Provisions Relating to Part B Only

CHAPTER 1—PHYSICIANS' SERVICES

Sec. 10602. Establishing update to conversion factor to match spending under sustainable growth rate.
Sec. 10603. Replacement of volume performance standard with sustainable growth rate.
Sec. 10604. Payment rules for anesthesia services.
Sec. 10605. Implementation of resource-based physician practice expense.
Sec. 10606. Dissemination of information on high per discharge relative values for in-hospital physicians' services.
Sec. 10607. No X-ray required for chiropractic services.
Sec. 10608. Temporary coverage restoration for portable electrocardiogram transportation.

CHAPTER 2—OTHER PAYMENT PROVISIONS

Sec. 10611. Payments for durable medical equipment.
Sec. 10612. Oxygen and oxygen equipment.
Sec. 10613. Reduction in updates to payment amounts for clinical diagnostic laboratory tests.
Sec. 10614. Simplification in administration of laboratory tests.
Sec. 10615. Updates for ambulatory surgical services.
Sec. 10616. Reimbursement for drugs and biologicals.
Sec. 10617. Coverage of oral anti-nausea drugs under chemotherapeutic regimen.
Sec. 10618. Rural health clinic services.
Sec. 10619. Increased medicare reimbursement for nurse practitioners and clinical nurse specialists.
Sec. 10620. Increased medicare reimbursement for physician assistants.
Sec. 10621. Renal dialysis-related services.

CHAPTER 3—PART B PREMIUM

Sec. 10631. Part B premium.

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CHAPTER 1—PROVISIONS RELATING TO MEDICARE SECONDARY PAYER
Sec. 10701. Permanent extension and revision of certain secondary payer provisions.
Sec. 10702. Clarification of time and filing limitations.
Sec. 10703. Permitting recovery against third party administrators.

CHAPTER 2—HOME HEALTH SERVICES

Sec. 10711. Recapturing savings resulting from temporary freeze on payment increases for home health services.
Sec. 10712. Interim payments for home health services.
Sec. 10713. Clarification of part-time or intermittent nursing care.
Sec. 10714. Study of definition of homebound.
Sec. 10715. Payment based on location where home health service is furnished.
Sec. 10716. Normative standards for home health claims denials,
Sec. 10717. No home health benefits based solely on drawing blood.

CHAPTER 3—BABY BOOM GENERATION MEDICARE COMMISSION

Sec. 10721. Bipartisan Commission on the Effect of the Baby Boom Generation on the Medicare Program.

CHAPTER 4—PROVISIONS RELATING TO DIRECT GRADUATE MEDICAL EDUCATION

Sec. 10731. Limitation on payment based on number of residents and implementation of rolling average FTE count.
Sec. 10732. Phased-in limitation on hospital overhead and supervisory physician component of direct medical education costs.
Sec. 10733. Permitting payment to non-hospital providers.
Sec. 10734. Incentive payments under plans for voluntary reduction in number of residents.
Sec. 10735. Demonstration project on use of consortia.
Sec. 10736. Recommendations on long-term payment policies regarding financing teaching hospitals and graduate medical education.
Sec. 10737. Medicare special reimbursement rule for certain combined residency programs.

CHAPTER 5—OTHER PROVISIONS

Sec. 10741. Centers of excellence.
Sec. 10742. Medicare part B special enrollment period and waiver of part B late enrollment penalty and medigap special open enrollment period for certain military retirees and dependents.
Sec. 10743. Protections under the medicare program for disabled workers who lose benefits under a group health plan.
Sec. 10744. Placement of advance directive in medical record.

Subtitle I—Medical Liability Reform

CHAPTER 1—GENERAL PROVISIONS

Sec. 10801. Federal reform of health care liability actions.
Sec. 10802. Definitions.
Sec. 10803. Effective date.

CHAPTER 2—UNIFORM STANDARDS FOR HEALTH CARE LIABILITY ACTIONS

Sec. 10811. Statute of limitations.

Sec. 10812. Calculation and payment of damages.
Sec. 10813. Alternative dispute resolution.
SEC. 10308. PROVISION OF CERTAIN IDENTIFICATION NUMBERS.

(a) REQUIREMENTS TO DISCLOSE EMPLOYER IDENTIFICATION NUMBERS (EINS) AND SOCIAL SECURITY ACCOUNT NUMBERS (SSNs).—Section 1124(a)(1) (42 U.S.C. 1320a-3(a)(1)) is amended by inserting before the period at the end the following: “and supply the Secretary with the both the employer identification number (assigned pursuant to section 6109 of the Internal Revenue
Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing entity, each person with an ownership or control interest (as defined in subsection (a)(3)), and any subcontractor in which the entity directly or indirectly has a 5 percent or more ownership interest”.

(b) OTHER MEDICARE PROVIDERS.—Section 1124A (42 U.S.C. 1320a–3a) is amended—

(1) in subsection (a)—

(A) by striking “and” at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting “; and”;

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

“(3) including the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing part B provider and any person, managing employee, or other entity identified or described under paragraph (1) or (2).”; and

(2) in subsection (c) by inserting “(or, for purposes of subsection (a)(3), any entity receiving payment)” after “on an assignment-related basis”.

(c) Verification by Social Security Administration (SSA).—Section 1124A (42 U.S.C. 1320a-3a) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c) Verification.—

"(1) Transmittal by HHS.—The Secretary shall transmit—

"(A) to the Commissioner of Social Security information concerning each social security account number (assigned under section 205(c)(2)(B)), and

"(B) to the Secretary of the Treasury information concerning each employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986),

supplied to the Secretary pursuant to subsection (a)(3) or section 1124(c) to the extent necessary for verification of such information in accordance with paragraph (2).

"(2) Verification.—The Commissioner of Social Security and the Secretary of the Treasury shall verify the accuracy of, or correct, the information
supplied by the Secretary to such official pursuant to paragraph (1), and shall report such verifications or corrections to the Secretary.

"(3) FEES FOR VERIFICATION.—The Secretary shall reimburse the Commissioner and Secretary of the Treasury, at a rate negotiated between the Secretary and such official, for the costs incurred by such official in performing the verification and correction services described in this subsection."

(d) REPORT.—The Secretary of Health and Human Services shall submit to Congress a report on steps the Secretary has taken to assure the confidentiality of social security account numbers that will be provided to the Secretary under the amendments made by this section.

(e) EFFECTIVE DATES.—

(1) The amendment made by subsection (a) shall apply to the application of conditions of participation, and entering into and renewal of contracts and agreements, occurring more than 90 days after the date of submission of the report under subsection (d).

(2) The amendments made by subsection (b) shall apply to payment for items and services furnished more than 90 days after the date of submission of such report.
A BILL

To provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998.

JUNE 24, 1997

Reported from the Committee on the Budget; committed to the Committee of the Whole House on the State of the Union and ordered to be printed.
BALANCED BUDGET ACT OF 1997

REPORT
OF THE
COMMITTEE ON THE BUDGET
HOUSE OF REPRESENTATIVES
TO ACCOMPANY
H.R. 2015
A BILL TO PROVIDE FOR RECONCILIATION PURSUANT TO SUB-SECTIONS (b)(1) AND (c) OF SECTION 105 OF THE CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1998
together with
ADDITIONAL AND MINORITY VIEWS

JUNE 24, 1997.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed
COMMITTEE ON THE BUDGET

JOHN R. KASICH, Ohio, Chairman

DAVID L. HOBSON, Ohio,
  Speaker’s Designee
CHRISTOPHER SHAYS, Connecticut
WALLY HERGER, California
JIM BUNNING, Kentucky
LAMAR S. SMITH, Texas
DAN MILLER, Florida
BOB FRANKS, New Jersey
NICK SMITH, Michigan
BOB INGLIS, South Carolina
SUSAN MOLINARI, New York
JIM NUSSLE, Iowa
PETER HOEKSTRA, Michigan
JOHN SHADEEGG, Arizona
GEORGE P. RADANOVICH, California
CHARLES F. BASS, New Hampshire
MARK W. NEUMANN, Wisconsin
MIKE PARKER, Mississippi
BOB EHRLICH, Maryland
GIL GUTTENBERG, Minnesota
VAN HILLEARY, Tennessee
KAY GRANGER, Texas
JOHN E. SUNUNU, New Hampshire
JOSEPH PITTS, Pennsylvania

JOHN M. SPRATT, Jr., South Carolina,
  Ranking Minority Member
JIM McDERMOTT, Washington,
  Leadership Designee
ALAN B. MOLLOHAN, West Virginia
JERRY F. COSTELLO, Illinois
PATSY T. MINK, Hawaii
EARL POMEROY, North Dakota
LYNN C. WOOLSEY, California
LUCILLE ROYBAL-ALLARD, California
LYNN N. RIVERS, Michigan
LLOYD DOGGETT, Texas
BENNIE G. THOMPSON, Mississippi
BENJAMIN L. CARDIN, Maryland
DAVID MINGE, Minnesota
SCOTTY BAESELER, Kentucky
KEN BENTSEN, Texas
JIM DAVIS, Florida
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(III)
PROVIDING FOR RECONCILIATION PURSUANT TO SUBSECTIONS (b)(1) AND (c) OF SECTION 105 OF THE CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1998

JUNE 24, 1997.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. KASICH, from the Committee on the Budget, submitted the following

REPORT together with

ADDITIONAL AND MINORITY VIEWS

[To accompany H.R. 2015]

[Including cost estimate of the Congressional Budget Office]

The Committee on the Budget, to whom reconciliation recommendations were submitted pursuant to subsections (b)(1) and (c) of section 105 of House Concurrent Resolution 84, the concurrent resolution on the budget for fiscal year 1998, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

SECTION 1. SHORT TITLE.
This Act may be cited as the “Balanced Budget Act of 1997”.

SEC. 2. TABLE OF CONTENTS.
Title I—Committee on Agriculture.
Title II—Committee on Banking and Financial Services.
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Title IV—Committee on Commerce—Medicare.
Title V—Committee on Education and the Workforce.
Title VI—Committee on Government Reform and Oversight.
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Title IX—Committee on Ways and Means—Nonmedicare.
Title X—Committee on Ways and Means—Medicare.
TITLE IV—COMMITTEE ON COMMERCE—MEDICARE

SEC. 4000. AMENDMENTS TO SOCIAL SECURITY ACT AND REFERENCES TO OBRA; TABLE OF CONTENTS OF TITLE.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.


(c) TABLE OF CONTENTS OF TITLE.—The table of contents of this title is as follows:

Sec. 4000. Amendments to Social Security Act and references to OBRA; table of contents of title.

Subtitle A—MedicarePlus Program

CHAPTER 1—MedicarePlus Program

Subchapter A—MedicarePlus Program

Sec. 4001. Establishment of MedicarePlus program.

*PART C—MedicarePlus Program*

*Sec. 1851. Eligibility, election, and enrollment.*

*Sec. 1852. Benefits and beneficiary protections.*

*Sec. 1853. Payments to MedicarePlus organizations.*

*Sec. 1854. Premiums.*

*Sec. 1855. Organizational and financial requirements for MedicarePlus organizations; provider-sponsored organizations.*

*Sec. 1856. Establishment of standards.*

*Sec. 1857. Contracts with MedicarePlus organizations.*

*Sec. 1859. Definitions; miscellaneous provisions.*

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Sec. 4012. Reference to establishment of PACE program as medicaid State option.

SUBCHAPTER B—SOCIAL HEALTH MAINTENANCE ORGANIZATIONS (SHMOS)

Sec. 4015. Social health maintenance organizations (SHMOS).

SUBCHAPTER C—OTHER PROGRAMS

Sec. 4018. Orderly transition of municipal health service demonstration projects.
Sec. 4019. Extension of certain medicare community nursing organization demonstration projects.

CHAPTER 3—MEDICARE PAYMENT ADVISORY COMMISION

Sec. 4021. Medicare Payment Advisory Commission.

CHAPTER 4—MEDIGAP PROTECTIONS

Sec. 4031. Medigap protections.
Sec. 4032. Medicare prepaid competitive pricing demonstration project.

Subtitle B—Prevention Initiatives

Sec. 4101. Screening mammography.
Sec. 4102. Screening pap smear and pelvic exams.
Sec. 4103. Prostate cancer screening tests.
Sec. 4104. Coverage of colorectal screening.
Sec. 4105. Diabetes screening tests.
Sec. 4106. Standardization of medicare coverage of bone mass measurements.
Sec. 4107. Vaccines outreach expansion.
Sec. 4108. Study on preventive benefits.

Subtitle C—Rural Initiatives

Sec. 4206. Informatics, telemedicine, and education demonstration project.

Subtitle D—Anti-Fraud and Abuse Provisions

Sec. 4301. Permanent exclusion for those convicted of 3 health care related crimes.
Sec. 4302. Authority to refuse to enter into medicare agreements with individuals or entities convicted of felonies.
Sec. 4303. Inclusion of toll-free number to report medicare waste, fraud, and abuse in explanation of benefits forms.
Sec. 4304. Liability of medicare carriers and fiscal intermediaries for claims submitted by excluded providers.
Sec. 4305. Exclusion of entity controlled by family member of a sanctioned individual.
Sec. 4306. Imposition of civil money penalties.
Sec. 4307. Disclosure of information and surety bonds.
Sec. 4308. Provision of certain identification numbers.
Sec. 4309. Advisory opinions regarding certain physician self-referral provisions.
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Sec. 4311. Other fraud and abuse related provisions.

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Sec. 4422. Comprehensive outpatient rehabilitation facilities (CORF).

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Sec. 4431. Payments for ambulance services.
Sec. 4432. Demonstration of coverage of ambulance services under medicare through contracts with units of local government.

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Sec. 4605. Implementation of resource-based physician practice expense.
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Sec. 4712. Interim payments for home health services.
Sec. 4713. Clarification of part-time or intermittent nursing care.
Sec. 4714. Study of definition of homebound.
Sec. 4715. Payment based on location where home health service is furnished.
Sec. 4716. Normative standards for home health claims denials,
Sec. 4717. No home health benefits based solely on drawing blood.
Sec. 4718. Making part B primary payor for certain home health services.

CHAPTER 3—BABY BOOM GENERATION MEDICARE COMMISSION
Sec. 4721. Bipartisan Commission on the Effect of the Baby Boom Generation on the Medicare Program.

CHAPTER 4—PROVISIONS RELATING TO DIRECT GRADUATE MEDICAL EDUCATION
Sec. 4731. Limitation on payment based on number of residents and implementation of rolling average FTE count.
Sec. 4732. Phased-in limitation on hospital overhead and supervisory physician component of direct medical education costs.
Sec. 4733. Permitting payment to non-hospital providers.
Sec. 4734. Incentive payments under plans for voluntary reduction in number of residents.
Sec. 4735. Demonstration project on use of consortia.
Sec. 4736. Recommendations on long-term payment policies regarding financing teaching hospitals and graduate medical education.
Sec. 4737. Medicare special reimbursement rule for certain combined residency programs.

CHAPTER 5—OTHER PROVISIONS
Sec. 4741. Centers of excellence.
Sec. 4742. Medicare part B special enrollment period and waiver of part B late enrollment penalty and medigap special open enrollment period for certain military retirees and dependents.
Sec. 4743. Competitive bidding for certain items and services.

Subtitle I—Medical Liability Reform

CHAPTER 1—GENERAL PROVISIONS
Sec. 4801. Federal reform of health care liability actions.
Sec. 4802. Definitions.
Sec. 4803. Effective date.

CHAPTER 2—UNIFORM STANDARDS FOR HEALTH CARE LIABILITY ACTIONS
Sec. 4811. Statute of limitations.
Sec. 4812. Calculation and payment of damages.
Sec. 4813. Alternative dispute resolution.

Subtitle D—Anti-Fraud and Abuse Provisions
SEC. 4308. PROVISION OF CERTAIN IDENTIFICATION NUMBERS.

(a) REQUIREMENTS TO DISCLOSE EMPLOYER IDENTIFICATION NUMBERS (EINS) AND SOCIAL SECURITY ACCOUNT NUMBERS (SSNS).—

Section 1124(a)(1) (42 U.S.C. 1320a–3(a)(1)) is amended by inserting before the period at the end the following: "and supply the Secretary with both the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing entity, each person with an ownership or control interest (as defined in subsection (a)(3)), and any subcontractor in which the entity directly or indirectly has a 5 percent or more ownership interest. Use of the social security account number under this section shall be limited to identity verification and identity matching purposes only. The social security account number shall not be disclosed to any person or entity other than the Secretary, the Social Security Administration, or the Secretary of the Treasury. In obtaining the social security account numbers of the disclosing entity and other persons described in this section, the Secretary shall comply with section 7 of the Privacy Act of 1974 (5 U.S.C. 552a note)."

(b) OTHER MEDICARE PROVIDERS.—Section 1124A (42 U.S.C. 1320a–3a) is amended—

(1) in subsection (a)—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"

and

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

"(3) including the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing part B provider and any person, managing employee, or other entity identified or described under paragraph (1) or (2)."

(2) in subsection (c) by inserting "(or, for purposes of subsection (a)(3), any entity receiving payment)" after "on an assignment-related basis".

(c) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION (SSA).—

Section 1124A (42 U.S.C. 1320a–3a) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c) VERIFICATION.—

"(1) TRANSMITTAL BY HHS.—The Secretary shall transmit—

"(A) to the Commissioner of Social Security information concerning each social security account number (assigned under section 205(c)(2)(B)), and

"(B) to the Secretary of the Treasury information concerning each employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986), supplied to the Secretary pursuant to subsection (a)(3) or section 1124(c) to the extent necessary for verification of such information in accordance with paragraph (2).

"(2) VERIFICATION.—The Commissioner of Social Security and the Secretary of the Treasury shall verify the accuracy of, or correct, the information supplied by the Secretary to such official pursuant to paragraph (1), and shall report such verifications or corrections to the Secretary."
"(3) FEES FOR VERIFICATION.—The Secretary shall reimburse the Commissioner and Secretary of the Treasury, at a rate negotiated between the Secretary and such official, for the costs incurred by such official in performing the verification and correction services described in this subsection."

(d) REPORT.—Before this subsection shall be effective, the Secretary of Health and Human Services shall submit to Congress a report on steps the Secretary has taken to assure the confidentiality of social security account numbers that will be provided to the Secretary under the amendments made by this section. If Congress determines that the Secretary has not taken adequate steps to assure the confidentiality of social security account numbers to be provided to the Secretary under the amendments made by this section, the amendments made by this section shall not take effect.

(e) EFFECTIVE DATES.—Subject to subsection (d)—

(1) the amendment made by subsection (a) shall apply to the application of conditions of participation, and entering into and renewal of contracts and agreements, occurring more than 90 days after the date of submission of the report under subsection (d); and

(2) the amendments made by subsection (b) shall apply to payment for items and services furnished more than 90 days after the date of submission of such report.
TITLE IX—COMMITTEE ON WAYS AND MEANS—NONMEDICARE

SEC. 9000. TABLE OF CONTENTS.

The table of contents of this title is as follows:

Sec. 9000. Table of contents.

Subtitle A—TANF Block Grant

Sec. 9001. Welfare-to-work grants.
Sec. 9002. Limitation on amount of Federal funds transferable to title XX programs.
Sec. 9003. Clarification of limitation on number of persons who may be treated as engaged in work by reason of participation in vocational educational training.
Sec. 9004. Required hours of work; health and safety.
Sec. 9005. Penalty for failure of State to reduce assistance for recipients refusing without good cause to work.

Subtitle B—Supplemental Security Income

Sec. 9101. Requirement to perform childhood disability redeterminations in missed cases.
Sec. 9102. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.
Sec. 9103. Fees for Federal administration of State supplementary payments.

Subtitle C—Child Support Enforcement

Sec. 9201. Clarification of authority to permit certain redisclosures of wage and claim information.

Subtitle D—Restricting Welfare and Public Benefits for Aliens

Sec. 9301. Extension of eligibility period for refugees and certain other qualified aliens from 5 to 7 years for SSI and medicaid.
Sec. 9302. SSI eligibility for aliens receiving SSI on August 22, 1996.
Sec. 9303. SSI eligibility for permanent resident aliens who are members of an Indian tribe.
Sec. 9304. Verification of eligibility for State and local public benefits.
Sec. 9305. Derivative eligibility for benefits.
Sec. 9306. Effective date.

Subtitle E—Unemployment Compensation

Sec. 9401. Clarifying provision relating to base periods.
Sec. 9402. Increase in Federal unemployment account ceiling.
Sec. 9403. Special distribution to States from Unemployment Trust Fund.
Sec. 9404. Interest-free advances to State accounts in Unemployment Trust Fund restricted to States which meet funding goals.
Sec. 9405. Exemption of service performed by election workers from the Federal unemployment tax.
Sec. 9406. Treatment of certain services performed by inmates.
Sec. 9407. Exemption of service performed for an elementary or secondary school operated primarily for religious purposes from the Federal unemployment tax.
Sec. 9408. State program integrity activities for unemployment compensation.

Subtitle F—Increase in Public Debt Limit

Sec. 9501. Increase in public debt limit.
Subtitle B—Supplemental Security Income

SEC. 9101. REQUIREMENT TO PERFORM CHILDHOOD DISABILITY REDETERMINATIONS IN MISSED CASES.

Section 211(d)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (110 Stat. 2190) is amended—

(1) in subparagraph (A)—

(A) in the 1st sentence, by striking "1 year" and inserting "18 months"; and

(B) by inserting after the 1st sentence the following:

"Any redetermination required by the preceding sentence that is not performed before the end of the period described in the preceding sentence shall be performed as soon as is practicable thereafter."; and

(2) in subparagraph (C), by adding at the end the following:

"Before commencing a redetermination under the 2nd sentence of subparagraph (A), in any case in which the individual involved has not already been notified of the provisions of this paragraph, the Commissioner of Social Security shall notify the individual involved of the provisions of this paragraph.".

SEC. 9102. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENTS APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS.

Section 1618 of the Social Security Act (42 U.S.C. 1382g) is repealed.

SEC. 9103. FEES FOR FEDERAL ADMINISTRATION OF STATE SUPPLEMENTARY PAYMENTS.

(a) FEE SCHEDULE.—

(1) OPTIONAL STATE SUPPLEMENTARY PAYMENTS.—

(A) IN GENERAL.—Section 1616(d)(2)(B) of the Social Security Act (42 U.S.C. 1382e(d)(2)(B)) is amended—

(i) by striking "and" at the end of clause (iii); and

(ii) by striking clause (iv) and inserting the following:

"(iv) for fiscal year 1997, $5.00;

(v) for fiscal year 1998, $6.20;
“(vi) for fiscal year 1999, $7.60;
“(vii) for fiscal year 2000, $7.80;
“(viii) for fiscal year 2001, $8.10;
“(ix) for fiscal year 2002, $8.50; and
“(x) for fiscal year 2003 and each succeeding fiscal year—

“(I) the applicable rate in the preceding fiscal year, increased by the percentage, if any, by which the Consumer Price Index for the month of June of the calendar year of the increase exceeds the Consumer Price Index for the month of June of the calendar year preceding the calendar year of the increase, and rounded to the nearest whole cent; or

“(II) such different rate as the Commissioner determines is appropriate for the State.”.

(B) CONFORMING AMENDMENT.—Section 1616(d)(2)(C) of such Act (42 U.S.C. 1382e(d)(2)(C)) is amended by striking “(B)(iv)” and inserting “(B)(x)(II)”.

(2) MANDATORY STATE SUPPLEMENTARY PAYMENTS.—

(A) IN GENERAL.—Section 212(b)(3)(B)(ii) of Public Law 93–66 (42 U.S.C. 1382 note) is amended—

(i) by striking “and” at the end of subclause (III); and

(ii) by striking subclause (IV) and inserting the following:

“(IV) for fiscal year 1997, $5.00;
“(V) for fiscal year 1998, $6.20;
“(VI) for fiscal year 1999, $7.60;
“(VII) for fiscal year 2000, $7.80;
“(VIII) for fiscal year 2001, $8.10;
“(IX) for fiscal year 2002, $8.50; and
“(X) for fiscal year 2003 and each succeeding fiscal year—

“(aa) the applicable rate in the preceding fiscal year, increased by the percentage, if any, by which the Consumer Price Index for the month of June of the calendar year of the increase exceeds the Consumer Price Index for the month of June of the calendar year preceding the calendar year of the increase, and rounded to the nearest whole cent; or

“(bb) such different rate as the Commissioner determines is appropriate for the State.”.

(B) CONFORMING AMENDMENT.—Section 212(b)(3)(B)(iii) of such Act (42 U.S.C. 1382 note) is amended by striking “(ii)(N)” and inserting “(ii)(X)(bb)”.

(b) USE OF NEW FEES TO DEFRAY THE SOCIAL SECURITY ADMINISTRATION’S ADMINISTRATIVE EXPENSES.—

(1) CREDIT TO SPECIAL FUND FOR FISCAL YEAR 1998 AND SUBSEQUENT YEARS.—

(A) OPTIONAL STATE SUPPLEMENTARY PAYMENT FEES.—

Section 1616(d)(4) of the Social Security Act (42 U.S.C. 1382e(d)(4)) is amended to read as follows:

“(4)(A) The first $5 of each administration fee assessed pursuant to paragraph (2), upon collection, shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.
“(B) That portion of each administration fee in excess of $5, and 100 percent of each additional services fee charged pursuant to paragraph (3), upon collection for fiscal year 1998 and each subsequent fiscal year, shall be credited to a special fund established in the Treasury of the United States for State supplementary payment fees. The amounts so credited, to the extent and in the amounts provided in advance in appropriations Acts, shall be available to defray expenses incurred in carrying out this title and related laws.”

(B) MANDATORY STATE SUPPLEMENTARY PAYMENT FEES.—
Section 212(b)(3)(D) of Public Law 93–66 (42 U.S.C. 1382 note) is amended to read as follows:

“(D)(i) The first $5 of each administration fee assessed pursuant to subparagraph (B), upon collection, shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.

“(ii) The portion of each administration fee in excess of $5, and 100 percent of each additional services fee charged pursuant to subparagraph (C), upon collection for fiscal year 1998 and each subsequent fiscal year, shall be credited to a special fund established in the Treasury of the United States for State supplementary payment fees. The amounts so credited, to the extent and in the amounts provided in advance in appropriations Acts, shall be available to defray expenses incurred in carrying out this section and title XVI of the Social Security Act and related laws.”

(2) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—
From amounts credited pursuant to section 1616(d)(4)(B) of the Social Security Act and section 212(b)(3)(D)(ii) of Public Law 93–66 to the special fund established in the Treasury of the United States for State supplementary payment fees, there is authorized to be appropriated an amount not to exceed $35,000,000 for fiscal year 1998, and such sums as may be necessary for each fiscal year thereafter.

Subtitle D—Restricting Welfare and Public Benefits for Aliens

SEC. 9301. EXTENSION OF ELIGIBILITY PERIOD FOR REFUGEES AND CERTAIN OTHER QUALIFIED ALIENS FROM 5 TO 7 YEARS FOR SSI AND MEDICAID.

(a) SSI.—Section 402(a)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A)) is amended to read as follows:
“(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

“(i) SSI.—With respect to the specified Federal program described in paragraph (3)(A), paragraph 1 shall not apply to an alien until 7 years after the date—

“(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

“(II) an alien is granted asylum under section 208 of such Act; or

“(III) an alien’s deportation is withheld under section 243(h) of such Act.

“(ii) FOOD STAMPS.—With respect to the specified Federal program described in paragraph (3)(B), paragraph 1 shall not apply to an alien until 5 years after the date—

“(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

“(II) an alien is granted asylum under section 208 of such Act; or

“(III) an alien’s deportation is withheld under section 243(h) of such Act.”.

(b) MEDICAID.—Section 402(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)(A)) is amended to read as follows:

“(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

“(i) MEDICAID.—With respect to the designated Federal program described in paragraph (3)(C), paragraph 1 shall not apply to an alien until 7 years after the date—

“(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

“(II) an alien is granted asylum under section 208 of such Act; or

“(III) an alien’s deportation is withheld under section 243(h) of such Act.

“(ii) OTHER DESIGNATED FEDERAL PROGRAMS.—With respect to the designated Federal programs under paragraph (3) (other than subparagraph (C)), paragraph 1 shall not apply to an alien until 5 years after the date—

“(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

“(II) an alien is granted asylum under section 208 of such Act; or

“(III) an alien’s deportation is withheld under section 243(h) of such Act.”.
SEC. 9302. SSI ELIGIBILITY FOR ALIENS RECEIVING SSI ON AUGUST 22, 1996.

(a) IN GENERAL.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding after subparagraph (D) the following new subparagraph:

"(E) ALIENS RECEIVING SSI ON AUGUST 22, 1996.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to an alien who was receiving such benefits on August 22, 1996."

(b) STATUS OF CUBAN AND HAITIAN ENTRANTS AND AMERASIAN PERMANENT RESIDENT ALIENS.—For purposes of section 402(a)(2)(E) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the following aliens shall be considered qualified aliens:

(1) An alien who is a Cuban and Haitian entrant as defined in section 501(e) of the Refugee Education Assistance Act of 1980.

(2) An alien admitted to the United States as an Amerasian immigrant pursuant to section 554 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, as contained in section 101(e) of Public Law 100–202, (other than an alien admitted pursuant to section 584(b)(1)(C)).

(c) CONFORMING AMENDMENTS.—Section 402(a)(2)(D) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended—

(1) by striking clause (i);

(2) in the subparagraph heading by striking “BENEFITS” and inserting “FOOD STAMPS”;

(3) by striking “(ii) FOOD STAMPS”;

(4) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii).

SEC. 9303. SSI ELIGIBILITY FOR PERMANENT RESIDENT ALIENS WHO ARE MEMBERS OF AN INDIAN TRIBE.

Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) (as amended by section 9302) is amended by adding after subparagraph (E) the following new subparagraph:

"(F) PERMANENT RESIDENT ALIENS WHO ARE MEMBERS OF AN INDIAN TRIBE.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to an alien who—

"(i) is lawfully admitted for permanent residence under the Immigration and Nationality Act; and

"(ii) is a member of an Indian tribe (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act)."

SEC. 9304. VERIFICATION OF ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS.

(a) IN GENERAL.—The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding after section 412 the following new section:
"SEC. 413. AUTHORIZATION FOR VERIFICATION OF ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS.

"A State or political subdivision of a State is authorized to require an applicant for State and local public benefits (as defined in section 411(c)) to provide proof of eligibility."

(b) CLERICAL AMENDMENT.—Section 2 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding after the item related to section 412 the following:

"Sec. 413. Authorization for verification of eligibility for state and local public benefits."

SEC. 9305. DERIVATIVE ELIGIBILITY FOR BENEFITS.

(a) In General.—The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding after section 435 the following new section:

"SEC. 436. DERIVATIVE ELIGIBILITY FOR BENEFITS.

"(a) Food Stamps.—Notwithstanding any other provision of law, an alien who under the provisions of this title is ineligible for benefits under the food stamp program (as defined in section 402(a)(3)(A)) shall not be eligible for such benefits because the alien receives benefits under the supplemental security income program (as defined in section 402(a)(3)(B)).

"(b) Medicaid.—Notwithstanding any other provision of this title, an alien who under the provisions of this title is ineligible for benefits under the medicaid program (as defined in section 402(b)(3)(C)) shall be eligible for such benefits if the alien is receiving benefits under the supplemental security income program and title XIX of the Social Security Act provides for such derivative eligibility."

(b) CLERICAL AMENDMENT.—Section 2 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding after the item related to section 435 the following:

"Sec. 436. Derivative eligibility for benefits."

SEC. 9306. EFFECTIVE DATE.

Except as otherwise provided, the amendments made by this subtitle shall be effective as if included in the enactment of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
TITLE X—COMMITTEE ON WAYS AND MEANS—MEDICARE

SEC. 10000. AMENDMENTS TO SOCIAL SECURITY ACT AND REFERENCES TO OBRA; TABLE OF CONTENTS OF TITLE.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.


(c) TABLE OF CONTENTS OF TITLE.—The table of contents of this title is as follows:

Sec. 10000. Amendments to Social Security Act and references to OBRA; table of contents of title.

Subtitle A—MedicarePlus Program

CHAPTER 1—MEDICAREPLUS PROGRAM

SUBCHAPTER A—MEDICAREPLUS PROGRAM

Sec. 10001. Establishment of MedicarePlus program.

"PART C—MEDICAREPLUS PROGRAM"

"Sec. 1851. Eligibility, election, and enrollment.
"Sec. 1852. Benefits and beneficiary protections.
"Sec. 1853. Payments to MedicarePlus organizations.
"Sec. 1854. Premiums.
"Sec. 1855. Organizational and financial requirements for MedicarePlus organizations; provider-sponsored organizations.
"Sec. 1856. Establishment of standards.
"Sec. 1857. Contracts with MedicarePlus organizations.
"Sec. 1859. Definitions; miscellaneous provisions.

Sec. 10002. Transitional rules for current medicare HMO program.

Sec. 10003. Conforming changes in medigap program.

SUBCHAPTER B—SPECIAL RULES FOR MEDICAREPLUS MEDICAL SAVINGS ACCOUNTS

Sec. 10006: MedicarePlus MSA.

CHAPTER 2—INTEGRATED LONG-TERM CARE PROGRAMS

SUBCHAPTER A—PROGRAMS OF ALL-INCLUSIVE CARE FOR THE ELDERLY (PACE)

Sec. 10011. Coverage of PACE under the medicare program.

Sec. 10012. Establishment of PACE program as medicaid State option.

Sec. 10013. Effective date: transition.

Sec. 10014. Study and reports.

SUBCHAPTER B—SOCIAL HEALTH MAINTENANCE ORGANIZATIONS

Sec. 10015. Social health maintenance organizations (SHMOs).

SUBCHAPTER C—OTHER PROGRAMS

Sec. 10018. Orderly transition of municipal health service demonstration projects.

Sec. 10019. Extension of certain medicare community nursing organization demonstration projects.
CHAPTER 3—MEDICARE PAYMENT ADVISORY COMMISSION

Sec. 10021. Medicare Payment Advisory Commission.

CHAPTER 4—MEDIGAP PROTECTIONS

Sec. 10031. Medigap protections.
Sec. 10032. Medicare prepaid competitive pricing demonstration project.

CHAPTER 5—TAX TREATMENT OF HOSPITALS PARTICIPATING IN PROVIDER-SPONSORED ORGANIZATIONS

Sec. 10041. Tax treatment of hospitals which participate in provider-sponsored organizations.

Subtitle B—Prevention Initiatives

Sec. 10101. Screening mammography.
Sec. 10102. Screening pap smear and pelvic exams.
Sec. 10103. Prostate cancer screening tests.
Sec. 10104. Coverage of colorectal screening.
Sec. 10105. Diabetes screening tests.
Sec. 10106. Standardization of medicare coverage of bone mass measurements.
Sec. 10107. Vaccines outreach expansion.
Sec. 10108. Study on preventive benefits.

Subtitle C—Rural Initiatives

Sec. 10201. Rural primary care hospital program.
Sec. 10202. Prohibiting denial of request by rural referral centers for reclassification on basis of comparability of wages.
Sec. 10203. Hospital geographic reclassification permitted for purposes of disproportionate share payment adjustments.
Sec. 10204. Medicare-dependent; small rural hospital payment extension.
Sec. 10205. Geographic reclassification for certain disproportionately large hospitals.
Sec. 10206. Floor on area wage index.
Sec. 10207. Informatics, telemedicine, and education demonstration project.

Subtitle D—Anti-Fraud and Abuse Provisions

Sec. 10301. Permanent exclusion for those convicted of 3 health care related crimes.
Sec. 10302. Authority to refuse to enter into medicare agreements with individuals or entities convicted of felonies.
Sec. 10303. Inclusion of toll-free number to report medicare waste, fraud, and abuse in explanation of benefits forms.
Sec. 10304. Liability of medicare carriers and fiscal intermediaries for claims submitted by excluded providers.
Sec. 10305. Exclusion of entity controlled by family member of a sanctioned individual.
Sec. 10306. Imposition of civil money penalties.
Sec. 10307. Disclosure of information and surety bonds.
Sec. 10308. Provision of certain identification numbers.
Sec. 10309. Advisory opinions regarding certain physician self-referral provisions.
Sec. 10310. Other fraud and abuse related provisions.

Subtitle E—Prospective Payment Systems

CHAPTER 1—PAYMENT UNDER PART A

Sec. 10401. Prospective payment for skilled nursing facility services.
Sec. 10402. Prospective payment for inpatient rehabilitation hospital services.

CHAPTER 2—PAYMENT UNDER PART B

SUBCHAPTER A—PAYMENT FOR HOSPITAL OUTPATIENT DEPARTMENT SERVICES

Sec. 10411. Elimination of formula-driven overpayments (FDO) for certain outpatient hospital services.
Sec. 10412. Extension of reductions in payments for costs of hospital outpatient services.
Sec. 10413. Prospective payment system for hospital outpatient department services.
SUBCHAPTER B—REHABILITATION SERVICES
Sec. 10421. Rehabilitation agencies and services.
Sec. 10422. Comprehensive outpatient rehabilitation facilities (CORF).

SUBCHAPTER C—AMBULANCE SERVICES
Sec. 10431. Payments for ambulance services.
Sec. 10432. Demonstration of coverage of ambulance services under Medicare through contracts with units of local government.

CHAPTER 3—PAYMENT UNDER PARTS A AND B
Sec. 10441. Prospective payment for home health services.

Subtitle F—Provisions Relating to Part A
CHAPTER 1—PAYMENT OF PPS HOSPITALS
Sec. 10501. PPS hospital payment update.
Sec. 10502. Capital payments for PPS hospitals.
Sec. 10503. Freeze in disproportionate share.
Sec. 10504. Medicare capital asset sales price equal to book value.
Sec. 10505. Elimination of IME and DSH payments attributable to outlier payments.
Sec. 10506. Reduction in adjustment for indirect medical education.
Sec. 10507. Treatment of transfer cases.
Sec. 10508. Increase base payment rate to Puerto Rico hospitals.

CHAPTER 2—PAYMENT OF PPS EXEMPT HOSPITALS
Sec. 10511. Payment update.
Sec. 10512. Reductions to capital payments for certain PPS-exempt hospitals and units.
Sec. 10513. Cap on TEFRA limits.
Sec. 10514. Change in bonus and relief payments.
Sec. 10515. Change in payment and target amount for new providers.
Sec. 10516. Rebasing.
Sec. 10517. Treatment of certain long-term care hospitals.
Sec. 10518. Elimination of exemptions, report on exceptions and adjustments.

CHAPTER 3—PROVISIONS RELATED TO HOSPICE SERVICES
Sec. 10521. Payments for hospice services.
Sec. 10522. Payment for home hospice care based on location where care is furnished.
Sec. 10523. Hospice care benefits periods.
Sec. 10524. Other items and services included in hospice care.
Sec. 10525. Contracting with independent physicians or physician groups for hospice care services permitted.
Sec. 10526. Waiver of certain staffing requirements for hospice care programs in non-urbanized areas.
Sec. 10527. Limitation on liability of beneficiaries for certain hospice coverage denials.
Sec. 10528. Extending the period for physician certification of an individual’s terminal illness.
Sec. 10529. Effective date.

CHAPTER 4—MODIFICATION OF PART A HOME HEALTH BENEFIT
Sec. 10531. Modification of part A home health benefit for individuals enrolled under part B.

CHAPTER 5—OTHER PAYMENT PROVISIONS
Sec. 10541. Reductions in payments for enrollee bad debt.
Sec. 10542. Permanent extension of hemophilia pass-through.
Sec. 10543. Reduction in part A medicare premium for certain public retirees.

Subtitle G—Provisions Relating to Part B Only
CHAPTER 1—PHYSICIANS’ SERVICES
Sec. 10602. Establishing update to conversion factor to match spending under sustainable growth rate.
Sec. 10603. Replacement of volume performance standard with sustainable growth rate.
Sec. 10604. Payment rules for anesthesia services.
Sec. 10605. Implementation of resource-based physician practice expense.
Sec. 10606. Dissemination of information on high per discharge relative values for in-hospital physicians' services.
Sec. 10607. No X-ray required for chiropractic services.
Sec. 10608. Temporary coverage restoration for portable electrocardiogram transportation.

CHAPTER 2—OTHER PAYMENT PROVISIONS

Sec. 10611. Payments for durable medical equipment.
Sec. 10612. Oxygen and oxygen equipment.
Sec. 10613. Reduction in updates to payment amounts for clinical diagnostic laboratory tests.
Sec. 10614. Simplification in administration of laboratory tests.
Sec. 10615. Updates for ambulatory surgical services.
Sec. 10616. Reimbursement for drugs and biologicals.
Sec. 10617. Coverage of oral anti-nausea drugs under chemotherapeutic regimen.
Sec. 10618. Rural health clinic services.
Sec. 10619. Increased medicare reimbursement for nurse practitioners and clinical nurse specialists.
Sec. 10620. Increased medicare reimbursement for physician assistants.
Sec. 10621. Renal dialysis-related services.

CHAPTER 3—PART B PREMIUM

Sec. 10631. Part B premium.

Subtitle H—Provisions Relating to Parts A and B

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Subtitle I—Medical Liability Reform

CHAPTER 1—GENERAL PROVISIONS

Sec. 10801. Federal reform of health care liability actions.
Sec. 10802. Definitions.
Sec. 10803. Effective date.

CHAPTER 2—UNIFORM STANDARDS FOR HEALTH CARE LIABILITY ACTIONS

Sec. 10811. Statute of limitations.
Sec. 10812. Calculation and payment of damages.
Sec. 10813. Alternative dispute resolution.

Subtitle D—Anti-Fraud and Abuse Provisions
SEC. 10308. PROVISION OF CERTAIN IDENTIFICATION NUMBERS.

(a) REQUIREMENTS TO DISCLOSE EMPLOYER IDENTIFICATION NUMBERS (EINs) AND SOCIAL SECURITY ACCOUNT NUMBERS (SSNs).—

Section 1124(a)(1) (42 U.S.C. 1320a–3(a)(1)) is amended by inserting before the period at the end the following: "and supply the Secretary with both the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing entity, each person with an ownership or control interest (as defined in subsection (a)(3)), and any subcontractor in which the entity directly or indirectly has a 5 percent or more ownership interest".

(b) OTHER MEDICARE PROVIDERS.—Section 1124A (42 U.S.C. 1320a–3a) is amended—

(1) in subsection (a)—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following new paragraph: "including the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing part B provider and any person, managing employee, or other entity identified or described under paragraph (1) or (2)."; and

(2) in subsection (c) by inserting "(or, for purposes of subsection (a)(3), any entity receiving payment)" after "on an assignment-related basis".

(c) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION (SSA).—

Section 1124A (42 U.S.C. 1320a–3a) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c) VERIFICATION.—

"(1) TRANSMITTAL BY HHS.—The Secretary shall transmit—

"(A) to the Commissioner of Social Security information concerning each social security account number (assigned under section 205(c)(2)(B)), and

"(B) to the Secretary of the Treasury information concerning each employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986),

supplied to the Secretary pursuant to subsection (a)(3) or section 1124(c) to the extent necessary for verification of such information in accordance with paragraph (2).

"(2) VERIFICATION.—The Commissioner of Social Security and the Secretary of the Treasury shall verify the accuracy of, or correct, the information supplied by the Secretary to such official pursuant to paragraph (1), and shall report such verifications or corrections to the Secretary.

"(3) FEES FOR VERIFICATION.—The Secretary shall reimburse the Commissioner and Secretary of the Treasury, at a rate negotiated between the Secretary and such official, for the costs incurred by such official in performing the verification and correction services described in this subsection.”.

(d) REPORT.—The Secretary of Health and Human Services shall submit to Congress a report on steps the Secretary has taken to assure the confidentiality of social security account numbers that will be provided to the Secretary under the amendments made by this section.

(e) EFFECTIVE DATES.—

(1) The amendment made by subsection (a) shall apply to the application of conditions of participation, and entering into and renewal of contracts and agreements, occurring more than 90 days after the date of submission of the report under subsection (d).

(2) The amendments made by subsection (b) shall apply to payment for items and services furnished more than 90 days after the date of submission of such report.
The Bipartisan Budget Agreement reached earlier this year represents an historic achievement. It demonstrated that Congress and the administration could commit themselves to major reforms of government programs so that the Federal budget can be balanced in 2002. It also called for a substantial reduction in the tax burden for middle-income Americans.

This legislation—the Balanced Budget Act of 1997—reflects the good faith efforts of House authorizing committees to fulfill the first part of that agreement through systemic, fundamental reforms of government entitlements. A second measure, called the Revenue Reconciliation Act of 1997, provides approximately $85 billion in net tax relief over 5 years. Together, these twin bills respond to the reconciliation directives of the House Concurrent Resolution on the Budget for Fiscal Year 1998, (H. Con. Res. 84), which embraced the Bipartisan Budget Agreement.

The underlying accomplishments of the budget agreement warrant repeating. They include the following:

- It balances the Federal budget in 2002 and is projected to run surpluses each year thereafter through 2002.
- It provides a total of $85 billion in net tax relief over the next 5 years and $250 billion through 2007—the vast majority of it going to middle-income working families.
- It delays Medicare bankruptcy for 10 years.
- It reduces total Federal spending to 18.9 percent of gross domestic product [GDP] by 2002—the first time since 1974 that Federal spending has been below 20 percent of GDP.
- It slows the growth of total Federal spending to 3 percent a year for the next 5 years.
- It achieves roughly $182 billion in entitlement savings over the next 5 years, and approximately $700 billion over the next 10 years.
- It slows the growth of nondefense discretionary outlays to less than one-half of 1 percent a year over the next 5 years, compared with an average of 6 percent a year for the past 10 years.
- It saves taxpayers approximately $13 billion over the next 5 years, and $142 billion over the next 10 years, through lower interest payments.

Yet as sweeping as these achievements are, they represent only the first step in what must be a long-term commitment to keep Congress' fiscal house in order. The forthcoming retirement of the baby boom generation will bring a massive new wave of challenges for Federal policymakers—challenges that, if left unaddressed, could overwhelm not only the Federal budget, but the entire economy as well.

Still, this budget agreement is an indispensable first step. Congress should swiftly pass this implementing legislation, and the President should sign it, so that we can move on together to face the challenges ahead.
Hon. John R. Kasich,
Chairman, Committee on the Budget,
Washington, DC.

Dear Mr. Chairman:

I am transmitting herewith the recommendations of the Committee on Commerce for changes in Medicare laws within the jurisdiction, pursuant to the provisions of section 310 of the Congressional Budget Act of 1974 and H. Con. Res. 84, the Concurrent Resolution on the Budget—Fiscal Years 1998–2002.

The enclosed recommendations were embodied in a Committee Print adopted by the Committee on June 12, 1997. Pursuant to your instructions, the legislative language of this Committee Print has been incorporated into Title IV—Committee on Commerce—Medicare.

Enclosed is the legislative language for Title IV, the accompanying report language, and the Minority Views. I have been informed that the Legislative Counsel’s Office has made arrangements with your staff to submit the Ramsayer language for Title IV directly to the Budget Committee to expedite your Committee’s action.

If you have any questions concerning the Committee’s recommendations, or if I can be of any further assistance to you as you proceed with the Committee’s deliberations, please do not hesitate to contact me.

Sincerely,

Tom Bliley, Chairman.

TITLE IV—COMMITTEE ON COMMERCE—MEDICARE

Purpose and Summary

Recently, the Board of Trustees of the Federal Hospital Insurance Trust Fund and the Supplementary Medical Insurance Trust Fund issued their annual reports which pointed to significant short- and long-term financing crises in both Part A and Part B of Medicare. With respect to the Hospital Insurance (HI) Trust Fund, the Trustees noted:

As we reported for the last several years, one of the Medicare Trust Funds, the Hospital Insurance Fund, would be exhausted in four years without legislation that addresses its financial imbalance.

The Trustees also expressed very strong concerns regarding the Supplementary Medical Insurance (SMI) Trust Fund. Although the SMI Program is currently actuarially sound because it receives most of its funds from general revenues, the Trustees noted:
SMI benefits have been growing rapidly. Outlays have increased 45 percent over the past 5 years (33 percent on a per-beneficiary basis). During this period the program grew about 14 percent faster than the economy as a whole, despite efforts to control SMI costs.

SMI expenditures are expected to continue to grow faster than the economy as a whole. SMI outlays were almost 1 percent of the Gross Domestic Product (GDP) in 1996 and are projected to grow about 2.5 percent in 2020.

We note with great concern the past and projected rapid growth in the cost of the program. Therefore, we urge the Congress to take appropriate steps to more effectively control SMI costs. Prompt, effective, and decisive action is necessary.

To address the twin financial crises facing Medicare, the Committee on Commerce has adopted legislation which will place Part B of Medicare, the part of the program which is under the Committee's primary jurisdiction, on a long-term sustainable growth path.

In addition to providing responsible and sustainable financing for Medicare, the Committee's bill will provide Medicare beneficiaries with the same choices in health delivery that younger Americans receive from their employers. While Medicare enrollees will be guaranteed the right to remain in traditional fee-for-service Medicare, they will now have the right to choose new and innovative health plans such as the following: (1) Provider Sponsored Organizations; (2) Health Care Maintenance Organizations with and without Point of Service options; (3) Medical Savings Accounts under a new demonstration authority; and (4) Preferred Provider Networks.

This legislation was developed after several months of public hearings by the Subcommittee on Health and the Environment. Testimony was received from dozens of witnesses including health care providers, health care economists, actuaries, and other health care experts.

BACKGROUND AND NEED FOR LEGISLATION

Medicare is a Federal health insurance program for the aged and certain disabled individuals. It consists of two parts: Part A is the hospital insurance (HI) program; and Part B is the supplementary medical insurance (SMI) program. Most Americans age 65 or older are automatically entitled to health coverage under Part A, whereas participation in Part B is voluntary. Also eligible, after a two-year waiting period, are people under age 65 who are receiving Social Security disability benefits.

The cost and scope of the Medicare program have placed its future financial viability in jeopardy. According to the 1997 report of the Board of Trustees, both Part A and Part B of the Medicare program require immediate attention if they are to remain a solvent and integral component in the health care coverage of America's seniors. In light of the importance of the Medicare program to the lives of millions of Americans, the Medicare legislation was developed to preserve, protect, and strengthen the program for the current and future generations of beneficiaries.
According to the Medicare Trustees, the Hospital Insurance (HI) Trust Fund is projected to run out of reserves in just four years. The Trustees also called for action to restructure the Supplementary Medical Insurance (SMI) program because the rate of growth in this program is unsustainable. SMI growth directly affects Medicare beneficiary Part B Premiums as well as the overall Federal budget from which the largest share of SMI costs are financed.

Among the factors that initiated Congressional action on this critical issue is the fact that recent Medicare cost increases compare very unfavorably to those in the private health care market. According to data from the Congressional Budget Office, Medicare spending growth is more than two times greater than the increase in private health care costs.

For all of the above reasons, this legislation was developed to preserve, protect and strengthen the Medicare program. To achieve these objectives, the following criteria guided the Committee's reform efforts:

1. Policy improvements to make Medicare solvent for at least 10 years, and ensure that Medicare continues to increase spending each year. However, Medicare spending will be brought in line with the need to ensure Part B affordability, rather than permitting the program's uncontrolled spending growth rates as in the past;

2. Policy improvements designed to create opportunities for beneficiaries to choose more modern private coverage options, as well as for health care providers to reduce waste, eliminate abuse, and increase efficiency;

3. Policy improvements that expand coverage for mammography screening (annual mammograms for all women ages 40 and over; waiving of screening deductible); pap smear/pelvic screening (pelvic screening every 3 years; yearly for high-risk women); prostate cancer screening (annually for men over 50; covers digital rectal exam or PSA); colorectal screening (men over 50; fecal-occult blood test, flexible sigmoidoscopy for high-risk individuals, and barium enema if recommended by the Secretary of Health and Human Services (the Secretary)), diabetes screening (self-management training, glucose monitors and testing strips); and vaccines (extension of influenza and pneumonia campaign through 2002); and

4. The establishment of a Bipartisan Commission on the Effect of the Baby Boom Generation on the Medicare Program to make recommendations to the Congress on the reforms necessary to ensure the preservation of the program, in light of anticipated demographic pressures on the program's financing.

HEARINGS

The Committee's Subcommittee on Health and Environment has not held hearings specifically on Title IV. However, the Subcommittee on Health and Environment has held a number of hearings in the 105th Congress on the Medicare program and a variety of reform issues.

Testifying before the Subcommittee on February 12, 1997, on the Department of health and Human Services's Proposed Budget for
FY 1998, were: Dr. Bruce Vladeck, Administrator, Health Care Financing Administration; and Mr. Paul N. Van de Water, Assistant Director for Budget Analysis, Congressional Budget Office.

Testifying before the Subcommittee on February 27, 1997, on Medicare Managed Care: Payment and Related Issues, were: Mr. Bruce M. Fried, Director, Office of Managed Care, Health Care Financing Administration; Jonathan Ratner, Ph.D., Associate Director, Health Financing Systems, Health, Education, and Human Services, U.S. General Accounting Office; Donald A. Young, M.D., Executive Director, Prospective Payment Assessment Commission; and Roger S. Taylor, M.D., M.P.A., Commissioner, Physician Payment Review Commission.

Testifying before the Subcommittee on March 5, 1997, on Medicare Home Health Care, were: Dr. Bruce Vladeck, Administrator, Health Care Financing Administration; Mr. Michael F. Mangano, Principal Deputy Inspector General, Department of Health and Human Services; Mr. William Scanlon, Director, Health Financing Systems, Health, Education, and Human Services, U.S. General Accounting Office; Donald A. Young, M.D., Executive Director, Prospective Payment Assessment Commission; Ms. Margaret J. Cushman, President, VNA Health Care Inc., representing the National Association for Home Care; and James C. Pyles, Esq., Powers, Pyles, Sutter, and Verville, representing the Home Health Prospective Payment Work Group.

Testifying before the Subcommittee on March 19, 1997, on Medicare Provider Service Networks, were: The Honorable James C. Greenwood, Member of Congress; The Honorable Charles W. Stenholm, Member of Congress; Ms. Josephine Musser, President, National Association of Insurance Commissioners; William F. Bluhm, FSA, MAA, Vice President, Health, The American Academy of Actuaries; The Honorable Bill Gradison, President, Health Insurance Association of America; Ms. Mary Nell Lehnhard, Senior Vice President Office of Policy and Representation, Blue Cross and Blue Shield Association; Mr. Thomas R. Sobocinski, President and CEO, Physicians Plus Insurance Corporation representing the American Association of Health Plans; Richard F. Corlin, M.D., Speaker of the House of Delegates, American Medical Association; Mr. John C. McMeekin, President and CEO Crozer-Keystone Health System, representing the American Hospital Association; and Robert Margolis, M.D., Chairman, American Medical Group Association.

Testifying before the Subcommittee on April 11, 1997, on Medicare Preventive Benefits and Quality Standards, were: The Honorable Newt Gingrich, Speaker of the House, U.S. House of Representatives; The Honorable George R. Nethercutt, Jr., Member of Congress; Ms. Bernice Steinhardt, Director Health Services Quality and Public Health Issues, U.S. General Accounting Office; Mr. Alan Altschuler, Chairman of the Board, American Diabetes Association; Resa Levetan, M.D., Director of Diabetes, Medlantic Research Institute, Washington Hospital Center; Marvin M. Schuster, M.D., President, American College of Gastroenterology; James B. Regan, M.D., Assistant Professor of Surgery, Division of Urology, Georgetown University Medical Center representing the American Urological Association, Inc.; Peter G. Taber, M.D., Chief of Gastroenterology Division, University of Pennsylvania; and Robert Har-
COMMITTEE CONSIDERATION

On June 10, 1997, the Subcommittee on Health and Environment met in open session and approved for Full Committee consideration a Committee Print entitled “Title IV—Committee on Commerce—Medicare,” amended, by a roll call vote of 15 yeas to 11 nays. On June 12, 1997, the Committee met in open session and ordered the Committee Print entitled “Title IV—Committee on Commerce—Medicare” transmitted to the House Committee on the Budget, amended, for inclusion in the 1997 Omnibus Budget Reconciliation Act, by a roll call vote of 30 yeas to 17 nays.

ROLL CALL VOTES

Pursuant to Clause 2(1)(2)(B) of rule XI of the Rules of the House of Representatives, following are listed the recorded votes on the motion to order Title IV transmitted to the House Committee on the Budget, and on amendments thereto, including the names of those Members voting for and against.

SUBTITLE D—ANTI-FRAUD AND ABUSE PROVISIONS

Section 4306. Imposition of civil money penalties

Current law: Section 1128A of the Social Security Act sets forth a list of fraudulent activities relating to claims submitted for payments for items of services under a Federal health care program. Civil money penalties of up to $10,000 for each item or service may be assessed. In addition, the Secretary of HHS (or head of the department or agency for the Federal health care program involved) may also exclude the person involved in the fraudulent activity from participation in a Federal health care program, defined as any program providing health benefits, whether directly or otherwise, which is funded directly, in whole or in part, by the United States
Government (other than the Federal Employees Health Benefits Program).

Explanation of provision. The provision would add a new civil money penalty for cases in which a person contracts with an excluded provider for the provision of health care items or services, where the person knows or should know that the provider has been excluded from participation in a Federal health care program.

Section 4308. Provision of certain identification numbers

Current law. Section 1124 of the Social Security Act requires that entities participating in Medicare, Medicaid and the Maternal and Child Health Block Grant programs (including providers, clinical laboratories, renal disease facilities, health maintenance organizations, carriers and fiscal intermediaries), provide certain information regarding the identity of each person with an ownership or control interest in the entity, or in any subcontractor in which the entity has a direct or indirect 5 percent or more ownership interest.

Section 1124A of the Social Security Act requires that providers under part B of Medicare also provide information regarding persons with ownership or control interest in a provider, or in any subcontractor in which the provider has a direct or indirect 5 percent or more ownership interest.

Explanation of provision. The provision would require that all Medicare providers supply the Secretary with both the employer identification number and social security account number of each disclosing entity, each person with an ownership or control interest, and any subcontractor in which the entity has a direct or indirect 5 percent or more ownership interest. The Secretary of HHS is directed to transmit to the Commissioner of Social Security information concerning each social security account number and to the Secretary of the Treasury information concerning each employer identification number supplied to the Secretary for verification of such information. Social security numbers would not be disclosed to other persons or entities, and use of such numbers would be limited to verification and matching purposes only. The Secretary would reimburse the Commissioner and the Secretary of the Treasury for costs incurred in performing the verification services required by this provision. The Secretary of HHS would report to Congress on the steps taken to assure confidentiality of social security numbers to be provided to the Secretary under this section before it becomes effective. This section's reporting requirements would then become effective 90 days after submission of the Secretary's report to Congress on confidentiality of social security numbers.
DISCLOSURE REQUIREMENTS FOR OTHER PROVIDERS UNDER PART B OF MEDICARE

SEC. 1124A. (a) Disclosure Required to Receive Payment.—No payment may be made under part B of title XVIII for items or services furnished by any disclosing part B provider unless such provider has provided the Secretary with full and complete information—

(1) on the identity of each person with an ownership or control interest in the provider or in any subcontractor (as defined by the Secretary in regulations) in which the provider directly or indirectly has a 5 percent or more ownership interest; [and]

(2) with respect to any person identified under paragraph (1) or any managing employee of the provider—

(A) on the identity of any other entities providing items or services for which payment may be made under title XVIII with respect to which such person or managing employee is a person with an ownership or control interest at the time such information is supplied or at any time during the 3-year period ending on the date such information is supplied, and

(B) as to whether any penalties, assessments, or exclusions have been assessed against such person or managing employee under section 1128, 1128A, or 1128B. and

(3) including the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing part B provider and any person, managing employee, or other entity identified or described under paragraph (1) or (2).

(c) Verification.—

(1) Transmittal by HHS.—The Secretary shall transmit—

(A) to the Commissioner of Social Security information concerning each social security account number (assigned under section 205(c)(2)(B)), and

(B) to the Secretary of the Treasury information concerning each employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986), supplied to the Secretary pursuant to subsection (a)(3) or section 1124(c) to the extent necessary for verification of such information in accordance with paragraph (2).
(2) VERIFICATION.—The Commissioner of Social Security and the Secretary of the Treasury shall verify the accuracy of, or correct, the information supplied by the Secretary to such official pursuant to paragraph (1), and shall report such verifications or corrections to the Secretary.

(3) FEES FOR VERIFICATION.—The Secretary shall reimburse the Commissioner and Secretary of the Treasury, at a rate negotiated between the Secretary and such official, for the costs incurred by such official in performing the verification and correction services described in this subsection.

[(c)] (d) DEFINITIONS.—For purposes of this section—

(1) the term "disclosing part B provider" means any entity receiving payment on an assignment-related basis (or, for purposes of subsection (a)(3), any entity receiving payment) for furnishing items or services for which payment may be made under part B of title XVIII, except that such term does not include an entity described in section 1124(a)(2);

* * * * * * * * *

CIVIL MONETARY PENALTIES

SEC. 1128A. (a) Any person (including an organization, agency, or other entity, but excluding a beneficiary, as defined in subsection (i)(5)) that—

(1) knowingly presents or causes to be presented to an officer, employee, or agent of the United States, or of any department or agency thereof, or of any State agency (as defined in subsection (i)(1)), a claim (as defined in subsection (i)(2)) that

(A) is for a medical or other item or service furnished, ordered, or prescribed by such person during a period in which the person was excluded (pursuant to this title or title XVIII) from the program under which the claim was made (pursuant to a determination by the Secretary under this section or under section 1128, 1156, 1160(b) (as in effect on September 2, 1982), 1862(d) (as in effect on the date of the enactment of the Medicare and Medicaid Patient and Program Protection Act of 1987), or 1866(b) or as a result of the application of the provisions of section 1842(j)(2), or]

(B) is for a medical or other item or service ordered or prescribed by a person excluded (pursuant to this title or title XVIII) from the program under which the claim was made, and the person furnishing such item or service knows or should know of such exclusion, or

[(E)] (F) is for a pattern of medical or other items or services that a person knows or should know are not medically necessary;

* * * * * * * * *

(4) in the case of a person who is not an organization, agency, or other entity, is excluded from participating in a program under title XVIII or a State health care program in accordance with this subsection or under section 1128 and who, at the time of a violation of this subsection—

(A) retains a direct or indirect ownership or control interest in an entity that is participating in a program under title XVIII or a State health care program, and who knows or should know of the action constituting the basis for the

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(B) is an officer or managing employee (as defined in section 1126(b)) of such an entity; [or]

(5) offers to or transfers remuneration to any individual eligible for benefits under title XVIII of this Act, or under a State health care program (as defined in section 1128(h)) that such person knows or should know is likely to influence such individual to order or receive from a particular provider, practitioner, or supplier any item or service for which payment may be made, in whole or in part, under title XVIII, or a State health care program (as so defined); or

(6) arranges or contracts (by employment or otherwise) with an individual or entity that the person knows or should know is excluded from participation in a Federal health care program (as defined in section 1128B(f)), for the provision of items or services for which payment may be made under such a program;

shall be subject, in addition to any other penalties that may be prescribed by law, to a civil money penalty of not more than $10,000 for each item or service (or, in cases under paragraph (3), $15,000 for each individual with respect to whom false or misleading information was given; in cases under paragraph (4), $10,000 for each day the prohibited relationship occurs). In addition, such a person shall be subject to an assessment of not more than 3 times the amount claimed for each such item or service in lieu of damages sustained by the United States or a State agency because of such claim. In addition the Secretary may make a determination in the same proceeding to exclude the person from participation in the Federal health care programs (as defined in section 1128B(f)(1)) and to direct the appropriate State agency to exclude the person from participation in any State health care program.

(i) For the purposes of this section:

(1) * * *

* * * * * * * * * * *

(6) The term "remuneration" includes the waiver of coinsurance and deductible amounts (or any part thereof), and transfers of items or services for free or for other than fair market value. The term "remuneration" does not include—

(A) * * *

(B) differentials in coinsurance and deductible amounts as part of a benefit plan design as long as the differentials have been disclosed in writing to all beneficiaries, third party payers, and providers, to whom claims are presented and as long as the differentials meet the standards as defined in regulations promulgated by the Secretary not later than 180 days after the date of the enactment of the Health Insurance Portability and Accountability Act of 1996; [or]

(C) incentives given to individuals to promote the delivery of preventive care as determined by the Secretary in regulations so promulgated[.]; or

(D) a reduction in the copayment amount for covered OPD services under section 1833(t)(5)(B).
Hon. John Kasich,  
Chairman, Committee on the Budget,  
Washington, DC.

Dear Mr. Chairman: On June 10, 1997, the Committee on Ways and Means, pursuant to H. Con. Res. 84, the Concurrent Resolution on the Budget of Fiscal Year 1998, ordered favorably reported, as amended, its budget reconciliation human resources recommendations to the Committee on Budget by a recorded vote of 21 to 18 with a quorum present. Accordingly, I am now transmitting these recommendations to you.

Pursuant to your letter dated May 30, enclosed are the legislative language and explanatory report language.

Please feel free to contact me or Pete Singleton if you have any questions. With best personal regards,

Sincerely,

Bill Archer, Chairman.

Enclosures.

**SUMMARY TABLE—BY SUBTITLE, BY PROGRAM, FEDERAL BUDGETARY EFFECTS OF WAYS AND MEANS RECONCILIATION PROPOSALS—TITLE IX**

(By fiscal year, in millions of dollars. Estimates based on draft legislative language and clarifications specified by Committee staff. Assumes enactment by August 15, 1997)

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(1169)
### SUMMARY TABLE—BY SUBTITLE, BY PROGRAM, FEDERAL BUDGETARY EFFECTS OF WAYS AND MEANS RECONCILIATION PROPOSALS—TITLE IX—Continued

[By fiscal year, in millions of dollars. Estimates based on draft legislative language and clarifications specified by Committee staff. Assumes enactment by August 15, 1997]

<table>
<thead>
<tr>
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<td>(238)</td>
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<td>(257)</td>
<td>(814)</td>
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<td>2,507</td>
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1. This estimate assumes that states would use nearly all of the $3 billion in welfare-to-work grants that would be established by the proposal. We are continuing to survey some states about their likelihood of using this money.
2. The bill proposes to repeal the maintenance-of-effort requirement for state supplementation of federal SSI benefits found in section 1618 of the Social Security Act. That repeal would have no direct effect on the federal budget, but it could have induced effects. Assuming that states reduce their supplements as a response to this provision, the principal induced effects on federal outlays would be an increase in Food Stamp costs (as some beneficiaries' Food Stamps would rise to offset a part of their lost supplements), and a decrease in Medicaid spending (as a few beneficiaries who gain coverage solely through state supplements lose that coverage). CBO's best estimate is that these effects would be roughly offsetting, so that no federal costs or savings are shown as a consequence of the repeal of Sec. 1618. The proposed legislation does not make clear whether the state of California's ability to "cash out" Food Stamp benefits for SSI recipients, which is now based on its relatively high supplements and its compliance with the maintenance-of-effort requirement, would end. ("Cashout" means that a small part of the supplement is simply regarded as a substitute for Food Stamp benefits.) However, CBO's conclusion about federal budgetary impacts from the repeal of the maintenance-of-effort requirement is not very sensitive to assumptions about the continuation of California's cashed status.
3. The bill would permit the proceeds from extra fees for federal administration of state supplements to be appropriated to help cover the administrative expenses of the Social Security Administration. The bill does not, however, directly grant SSA authority to spend those proceeds.
4. The unemployment benefit outlay savings shown assume an adjustment to the CBO March 1997 baseline to reflect increases due to the April 4, 1997 decision by the Seventh Circuit U.S. Court of Appeals, which affirmed the judgment of the district court in the case of Pennington v. Doherty.

Notes: Details may not add to totals because of rounding.

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## I. INTRODUCTION

### A. PURPOSE AND SUMMARY

The budget agreement worked out between the Congress and the Administration included several issues under the jurisdiction of the Committee on Ways and Means. These items are items about which the Committee or its Subcommittee on Human Resources has held hearings and introduced legislation over the past two years (with one exception) are contained in the Committee’s reconciliation recommendation to the Committee on the Budget.

Although the general purpose of this proposal is to balance the budget within 5 years, each of the 23 provisions in the Committee recommendation to the Committee on the Budget are good public policy and stand on their own merits. One set of proposals deals with issues raised by last year's welfare reform legislation. Here the Committee clarified work requirements and the number of hours certain workfare participants may work, given the amount of taxpayer-paid benefits they receive, while satisfying minimum wage requirements. The Committee also, in accord with the budget
agreement, creates a new $3 billion welfare-to-work grant aimed at helping the most disadvantaged and least job ready welfare recipients obtain jobs.

Another set of proposals addresses the issue of welfare benefits for noncitizens. The Committee proposal includes about $9 billion in welfare benefits for noncitizens who were receiving benefits when the welfare reform law, enacted last August, restricted welfare benefits for noncitizens. This policy will provide Supplemental Security Income (SSI) and Medicaid benefits to about 500,000 noncitizens who would otherwise lose them no later than October 1, 1997. The Committee proposal also extends from 5 years to 7 years the time during which refugees, asylees, and those whose deportation is being withheld can receive SSI and Medicaid, continues SSI benefits for permanent resident alien members of Indian tribes living along the U.S./Canada and U.S./Mexico border, and authorizes States and localities to require applicants for welfare benefits to provide proof of eligibility.

Since passage of the welfare reform law last year, the Committee has closely followed implementation of the stricter eligibility guidelines for children receiving SSI benefits. Because implementation fell behind schedule, the Committee proposal gives the Social Security Administration an additional 6 months to review cases in applying the new guidelines. The proposal also clarifies that regardless of when reviews are conducted, the new eligibility guidelines must be applied. In accordance with the budget agreement, the proposal requires the Social Security Administration to increase fees for including State SSI supplements in the Federal benefit check. It also would repeal the maintenance of effort requirement that States must maintain their State SSI supplement at 1983 levels.

Finally, the Committee proposal, in reaction to the Pennington v. Doherty court decision by the Federal district court in Illinois, contains a proposal clarifying that States have complete authority in setting the base period for determining eligibility for unemployment benefits. Consistent with the budget agreement, the proposal increases the ceilings for the Federal unemployment compensation trust funds, limits transfers from Federal to State accounts to $100 million annually in the coming years, and authorizes specific amounts for unemployment compensation "integrity" activities designed to reduce overpayments. Given the recent concern with States' maintaining adequate reserves in their unemployment trust fund accounts, the proposal would reward States that reach a State-specific criterion for high trust fund levels by granting these States interest-free loans if the necessity for borrowing from the Federal loan account should occur. Other provisions exclude certain inmates, poll workers, and employers of religious schools from eligibility for UI benefits.

Taken together, the Committee proposal both fulfills the spending and savings terms of the budget agreement and reforms several of the important social programs under the Committee's jurisdiction.

B. LEGISLATIVE HISTORY

The Subcommittee on Human Resources of the Committee on Ways and Means held a hearing on February 13, 1997 on the
President's Fiscal Year 1998 Budget and heard testimony from the Honorable Lamar Smith (TX), representatives of the Clinton Administration, and other interested parties. 

On June 6, 1997, the Subcommittee on Human Resources ordered favorably reported to the full Committee, as amended, budget reconciliation human resources recommendations by a recorded vote of 8 to 3 with a quorum present.

On June 10, 1997, the Committee on Ways and Means approved and reported to the Committee on the Budget, as amended, budget reconciliation human resources recommendations by a recorded vote of 21 to 18.

II. EXPLANATION OF PROVISIONS

SUBTITLE B—SUPPLEMENTAL SECURITY INCOME

Section 9101. Requirement to perform childhood disability redeterminations in missed cases

Present law

By August 22, 1997 (one year after the date of enactment of P.L. 104–193), the Commissioner of the Social Security Administration (SSA) is expected to redetermine the eligibility of any child receiving SSI benefits on August 22, 1996, whose eligibility may be affected by changes in childhood disability eligibility criteria, including the new definition of childhood disability and the elimination of the individualized functional assessment. Benefits of current recipients will continue until the later of July 1, 1997 or a redetermination assessment. Should a child be found ineligible, benefits will end following redetermination. Within 1 year of attainment of age 18, SSA is expected to make a medical redetermination of current SSI childhood recipients using adult disability eligibility criteria. For low birth weight babies, a review must be conducted within 12 months after the birth of a child whose low birth weight is a contributing factor to his or her disability.

Explanation of provision

This provision extends from 1 year after the date of enactment to 18 months after the date of enactment the period by which SSA must redetermine the eligibility of any child receiving benefits on August 22, 1996 whose eligibility may be affected by changes in childhood disability. The provision also specifies that any child subject to an SSI redetermination under the terms of the welfare reform law whose redetermination does not occur during the 18-month period following enactment (that is, by February 22, 1998) is to be assessed as soon as practicable thereafter using the new eligibility standards applied to other children under the welfare reform law.

Reason for change

Due to delay in releasing implementing regulations, the Committee is extending from 12 months to 18 months the period of time for SSA to redetermine the eligibility of any child receiving SSI benefits on August 22, 1996 whose eligibility may be affected by
changes in the childhood eligibility criteria. In addition, Congress intended that all children affected by the changes in P.L. 104–193 would be redetermined using the new eligibility criteria and not the medical improvement standard.

Effective date
August 22, 1996.

Section 9102. Repeal of maintenance of effort requirements applicable to optional state programs for supplementation of SSI benefits

Present law
Since the beginning of the SSI program, States have had the option to supplement the Federal SSI payment with State funds. The purpose of section 1618 of the Social Security Act was to encourage States to pass along to SSI recipients the amount of any Federal SSI benefit increase. Under section 1618, a State that is found to be not in compliance with the “pass along/maintenance of effort” provision is subject to loss of its Medicaid reimbursements. Section 1618 allows States to comply with the “pass along/maintenance of effort” provision by either maintaining their State supplementary payment levels at or above 1983 levels or by maintaining total annual expenditures for supplementary payments (including any Federal cost-of-living adjustment) at a level at least equal to the prior 12-month period, provided that State was in compliance for that period. In effect, section 1618 requires that once a State elects to provide supplementary payments it must continue to do so.

Explanation of provision
The maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits are repealed.

Reason for change
In nearly every social program in which States pay a substantial portion of the benefits, States have the authority to establish benefit levels. However, in the Supplemental Security Income program, States that supplement the Federal benefit are required by Federal law to maintain benefits at or above their 1983 level. The Committee proposal, however, is based on the principle that States should be able to establish and to change benefits levels in accordance with the actions of elected State officials. Thus, the proposal overturns the Federal freeze on State supplemental payments and allows States complete control in setting their own benefits.

Effective date
Date of enactment.

Sec. 9103. Fees for Federal Administration of State Supplementary Payments

Present law
P.L. 103–66, the Omnibus Budget Reconciliation Act of 1993, stipulated that part of the administrative cost of the SSI program was to be funded through a user fee. Since fiscal year 1994, States
have been required to pay a fee of Federal administration of State supplementary SSI payments. Thus, States that choose to have their supplementary SSI payments administered by the Social Security Administration must pay the Commissioner or Social Security $5 per payment for fiscal year 1996 and each succeeding year, or a different rate deemed appropriate for the State by the Commissioner (the rate per payment was $1.67 in fiscal year 1994 and $3.33 in fiscal year 1995).

**Explanation of provision**

The administrative fee charged by the Federal government for including State supplemental SSI payments with the Federal SSI check is increased as follows:

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<tr>
<th>Fiscal year</th>
<th>Administrative fee</th>
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<tr>
<td>2002</td>
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For 2003 and subsequent years, the rate from the previous year is increased by the percentage by which the Consumer Price Index increased that year or a different amount established by the Commissioner. Revenue attributed to the increase in fees (i.e., amounts in excess of $5.00) each year would, subject to the appropriation process, be available to defray the Social Security Administration's administrative costs.

**Reason for change**

The basis for the 1993 Congressional decision to charge administrative fees against States that include their State supplement in the Federal SSI check is that States are using Federal administrative resources to fulfill a State function. Given that the Federal government is absorbing the cost of providing a service to States, it is reasonable to ask States to defray the Federal costs. The Committee proposal simply extends this principle into the future by increasing the fee States must pay in rough correlation with inflation and other factors that cause Federal costs to increase.

**Effective date**

Date of enactment.

**SUBTITLE C—CHILD SUPPORT ENFORCEMENT**

**Section 9201. Clarification of Authority to Permit Certain Redisclosures of Wage and Claim Information**

**Present law**

P.L. 104—193 gives the Department of Health and Human Services (HHS) the authority to obtain information about the wages and unemployment compensation paid to individuals from State unemployment compensation agencies for the State Directory of New Hires. The State Directory of New Hires is then to furnish this
wage and claim information, on a quarterly basis, to the National Directory of New Hires. P.L. 104–193 also requires State unemployment compensation agencies to establish such safeguards as the Secretary of Labor determines are necessary to insure that the information disclosed to the National Directory of New Hires is used only for the purpose of administering programs under State plans approved under the Child Support Enforcement program, the Temporary Assistance for Needy Families (TANF) block grant, and for other purposes authorized in section 453 of the Social Security Act (as amended by P.L. 104–193).

Explanation of provision

Although the welfare reform law allowed HHS to disclose information from the Directory of New Hires to the Social Security Administration and to the Internal Revenue Service, the wording of a provision in the child support title of the legislation could be interpreted to contradict this policy. This wording is amended to clarify that HHS is authorized to share information from the Directory of New Hires with the Social Security Administration and the Internal Revenue Service.

Reason for change

This purely technical proposal is necessary to clarify current law and allow the Office of Child Support Enforcement to share information collected from States with the Social Security Administration and the Internal Revenue Service.

Effective date

August 22, 1996.

SUBTITLE D—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

Section 9301. Extension of eligibility period for refugees and certain other qualified aliens from 5 to 7 years for SSI and Medicaid

Present law

Current law provides a 5-year exemption from: (1) the bar against SSI and Food Stamps; and (2) the provision allowing States to deny "qualified aliens" access to Medicaid, TANF, and Social Services Block Grant for three groups of aliens admitted for humanitarian reasons. These groups are (1) refugees, for 5 years after entry; (2) asylees, for 5 years after being granted asylum; and (3) aliens whose deportation is withheld on the grounds of likely persecution upon return, for 5 years after such withholding.

Explanation of provision

This change would lengthen the period during which eligibility for SSI and Medicaid is guaranteed to three groups (refugees, asylees, and aliens whose deportation has been withheld) from 5 years to 7 years.

Reason for change

The 5-year exception in the welfare law was designed to allow refugees and asylees, who often arrive in the U.S. with few posses-
sions, time to adjust to life here. However, because of delays in adjusting to permanent resident status, mandatory residency requirements before applying for citizenship, and recent increases in waiting times in the naturalization process, under the 5-year eligibility period many would become ineligible for welfare benefits despite their attempting to naturalize at their earliest opportunity. By extending the exception to allow these groups 7 instead of 5 years of eligibility, these noncitizens would be given more time to naturalize while continuing to receive welfare benefits without interruption.

Effective date
August 22, 1996.

Section 9302. SSI eligibility for aliens receiving SSI on August 22, 1996

Present law

Medicaid.—States may exclude “qualified aliens” who entered the United States before enactment of the welfare law (August 22, 1996) from Medicaid beginning January 1, 1997 (sec. 402(b)). Additionally, to the extent that legal immigrants’ receipt of Medicaid is based only on their eligibility for SSI, some will lose Medicaid because of their ineligibility for SSI.

Definitions and exemptions.—“Qualified aliens” are defined by P.L. 104–193 (as amended by P.L. 104–208) as aliens admitted for legal permanent residence (i.e., immigrants), refugees, aliens paroled into the United States for at least 1 year, aliens granted asylum or related relief, and certain abused spouses and children.

Certain “qualified aliens” are exempted from the SSI ban and the State option to deny Medicaid, as well as from certain other restrictions. These groups include: (1) refugees for 5 years after admission and asylees 5 years after obtaining asylum; (2) aliens who have worked, or may be credited with, 40 “qualifying quarters.” As defined by P.L. 104–193, a “qualifying quarter” is a 3-month work period with sufficient income to qualify as a social security quarter and, with respect to periods beginning after 1996, during which the worker did not receive Federal means-based assistance (sec. 435). The “qualifying quarter” test takes into account work performed by the alien, the alien’s parent while the alien was under age 18, and the alien’s spouse (provided the alien remains married to the spouse or the spouse is deceased); and (3) veterans, active duty members of the armed forces, and their spouses and unmarried dependent children.

Explanation of provision
Legal noncitizens who were receiving SSI benefits on August 22, 1996 (the date of enactment of the welfare reform law) would re-
main eligible for SSI, despite underlying restrictions in the Personal Responsibility and Work Opportunity Reconciliation Act. This section also specifies that Cuban and Haitian entrants and Amerasian immigrants are to be considered qualified aliens, thereby continuing the SSI and Medicaid eligibility of those who were receiving SSI benefits on August 22, 1996.

Reason for change

The new welfare law would restrict SSI and Food Stamp benefits for noncitizens, with the exception of those who have worked for at least 10 years or who have become naturalized citizens. However, to smooth the transition for those who were already receiving benefits, additional changes were sought to allow for continued cash and health care benefits. Under this change, Food Stamp benefits would remain generally restricted to noncitizens, and noncitizens not enrolled on SSI as of August 22, 1996 would remain ineligible for SSI benefits unless they naturalize or work for 10 or more years. For those in the U.S. when the President signed the new welfare law but who were not then on SSI, special exceptions in the naturalization process remain available to elderly noncitizens who have resided in the U.S. for a number of years and also for individuals with disabilities that prevent their passing the language or civics tests for naturalization. In addition, Medicaid is available at State option for all noncitizens residing in the U.S. on August 22, 1996.

Effective date

August 22, 1996.

Section 9303. SSI eligibility for permanent resident aliens who are members of an Indian tribe

Present law

With limited exceptions, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104–193) makes "qualified aliens," including aliens lawfully admitted for permanent residence, ineligible for Supplemental Security Income (SSI). The limited exceptions to this bar do not include an exception based on membership in an Indian tribe.

Though the immigration status of foreign-born Indians can, like that of other aliens, vary from individual to individual, immigration law does accord certain Indians entry rights that facilitate their residing here as legal permanent residents. Section 289 of the Immigration and Nationality Act of 1952 (INA) preserves the right of free passage recognized in the Jay Treaty of 1794 by allowing "American Indians born in Canada" unimpeded entry and residency rights if they "possess at least 50 per centum of blood of the American Indian race." By regulation, individuals who enter the U.S. and reside here under this provision are regarded as lawful permanent resident aliens.

Entirely separate from immigration law, the Indian Self-Determination and Education Assistance Act defines "Indian tribe" as a tribe, band, nation, or other organized group that is recognized as eligible for special Indian programs and services. Recognition may
be based on a treaty or statute, or may be drawn from the acknowledgment process. Not all Indian communities, nations, tribes, and other groups are Federally recognized.

Explanation of provision

Permanent resident Indians who are members of recognized tribes are eligible for SSI, despite restrictions in the welfare law on noncitizens' eligibility for benefits.

Reason for change

This change is made to protect the longstanding entry rights and access to benefits of members of certain Indian tribes residing in the U.S. as lawful permanent residents.

Effective date

August 22, 1996.

Section 9304. Verification of eligibility for State and local public benefits

Present law

Last year's welfare reform law requires the Attorney General, in consultation with the Secretary of Health and Human Services, to promulgate regulations requiring verification that persons applying for Federal public benefits are citizens or qualified aliens eligible for the benefits (sec. 432(a)). The law also requires that States administering programs that provide a Federal benefit have a verification system that complies with the regulation (sec. 432(b)). However, the law does not provide authority for State and local governments to verify eligibility for State or local public benefits.

Explanation of provision

This provision authorizes States or political subdivisions to require an applicant for State or local public benefits (as defined in section 411(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) to provide proof of eligibility.

Reason for change

This change will allow States and local governments to require proof of eligibility, including evidence pertaining to citizenship status, for individuals seeking welfare benefits. (See section 506 of House Report 104–828.)

Effective date

August 22, 1996.

Section 9305. Derivative eligibility for benefits

Present law

States may exclude “qualified aliens” who entered the United States before enactment of the welfare law (August 22, 1996) from Medicaid beginning January 1, 1997 (sec. 402(b)). Sec. 1902(a)(10) of the Social Security Act makes all individuals who are receiving SSI eligible for medical assistance under the Medicaid program. Under the welfare law, most “qualified aliens” are ineligible for
both SSI and Food Stamps. Under section 5(a) of the Food Stamp Act, households in which each member receives SSI benefits are also eligible for Food Stamps.

**Explanation of provision**

This section clarifies that legal noncitizens eligible for SSI under the provisions of this subtitle are also eligible for Medicaid benefits. In addition, individuals made ineligible for Food Stamp benefits as a result of the welfare reform law are not to have their eligibility for Food Stamps restored as a result of the renewed eligibility for SSI.

**Reason for change**

This section clarifies that individuals receiving SSI benefits on August 22, 1996 (who under section 9302 of this subtitle would maintain eligibility for SSI benefits) would also be assured of coverage under Medicaid, despite provisions in welfare reform law that allow States the option of restricting Medicaid benefits for qualified aliens in the U.S. on August 22, 1996. Food Stamp benefits would remain generally restricted for noncitizens, despite individuals' continued eligibility for SSI.

**Effective date**

August 22, 1996.

**Section 9306. Effective date**

**Present law**

No provision.

**Explanation of provision**

Except as otherwise provided, the amendments made by this subtitle shall be effective as if included in the enactment of title IV of the Personal Responsibility and Work Opportunity Act of 1996.

**Reason for change**

This section clarifies that all provisions in this subtitle are to apply as if included in the welfare reform law (whose effective date was August 22, 1996).

**Effective date**

August 22, 1996.
III. VOTES OF THE COMMITTEE

In compliance with clause 2(1)(2)(B) of rule XI of the Rules of the House of Representatives, the following statements are made concerning the votes of the Committee on Ways and Means in its consideration of the Budget Reconciliation Human Resources Recommendations:

Motion to report Budget Reconciliation Human Resources Recommendations

The Committee on Ways and Means approved the reconciliation human resources provisions by a rollcall vote of 21 yeas to 18 nays (with a quorum being present). The vote was as follows:

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<th>Representatives</th>
<th>Yeas</th>
<th>Nays</th>
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<td>Mr. Crane</td>
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<td>Mr. Thomas</td>
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<td>Mr. Shaw</td>
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<tr>
<td>Mrs. Johnson</td>
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<td>Mr. Rangel</td>
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<tr>
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<td>Mr. Watkins</td>
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<td>Mr. Hayworth</td>
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<tr>
<td>Mr. Weller</td>
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<tr>
<td>Mr. Hulshof</td>
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</tbody>
</table>

Votes on amendments

Rollcall votes were conducted on the following amendments to the Chairman's amendment in the nature of a substitute:

An amendment by Mr. Tanner to Subtitle A, Section 9001, to award bonuses to States for meeting specific performance goals was defeated by a rollcall vote of 16 yeas to 19 nays. The vote was as follows:

<table>
<thead>
<tr>
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<th>Nays</th>
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<tbody>
<tr>
<td>Mr. Archer</td>
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<tr>
<td>Mr. Crane</td>
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<td>Mr. Thomas</td>
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<tr>
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<tr>
<td>Mr. Rangel</td>
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<td>Mr. Ramstad</td>
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<td>Mr. Nussle</td>
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<td>X</td>
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<tr>
<td>Mr. Johnson</td>
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</tbody>
</table>
An amendment by Mr. Stark to strike Section 9003, Subtitle A, which limits to 30 percent the number of families participating in educational activities that may be counted towards the State's work participation rate was defeated by a rollcall vote of 16 yeas to 21 nays. The vote was as follows:

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<tbody>
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<td>Ms. Dunn</td>
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<tr>
<td>Mr. Hultsfot</td>
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</table>

An amendment by Mrs. Kennelly to Subtitle A, Section 9003, to remove teen parents from the 30 percent limitation on persons engaged in educational activities counting towards the participation rate was agreed to by a rollcall vote of 20 yeas to 17 nays. The vote was as follows:

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<td>Mr. Johnson</td>
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</table>

An amendment by Mrs. Kennelly to Subtitle A, Section 9003, to remove teen parents from the 30 percent limitation on persons engaged in educational activities counting towards the participation rate was agreed to by a rollcall vote of 20 yeas to 17 nays. The vote was as follows:

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Mr. Archer</td>
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</table>
An amendment by Stark to strike Section 9004, Subtitle A, relating to the allowable hours of work was defeated by a rollcall vote of 16 yeas to 22 nays. The vote was as follows:

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<tr>
<td>Mr. Huotshof</td>
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</table>

An amendment by Mr. Matsui to strike Section 9102, Subtitle B, on the repeal of the State SSI maintenance of effort requirement, was defeated by a rollcall vote of 16 yeas to 23 nays. The vote was as follows:

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<td>Mr. Bunning</td>
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<tr>
<td>Mr. Huotshof</td>
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</tbody>
</table>
An amendment by Mr. Becerra to add a new Section 9305, Subtitle D, to allow legal immigrants present before August 22, 1996, but disabled after that date, to be eligible for SSI, was defeated by a rollcall vote of 19 yeas to 20 nays. The vote was as follows:

<table>
<thead>
<tr>
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<th>Nay</th>
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<tbody>
<tr>
<td>Mr. Archer</td>
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<td>Mr. Christensen</td>
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</table>

An amendment by Mr. Coyne to strike Section 9401, Subtitle E, a provision clarifying State authority to determine base periods for determining eligibility for unemployment benefits was defeated by a rollcall vote of 17 yeas and 22 nays. The vote was as follows:

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<thead>
<tr>
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<tbody>
<tr>
<td>Mr. Archer</td>
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<tr>
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IV. BUDGET EFFECTS OF THE BILL

A. COMMITTEE ESTIMATE OF BUDGETARY EFFECTS

In compliance with clause 7(a) of Rule XIII of the Rules of the House of Representatives, the following statement is made:

The Committee agrees with the estimate prepared by the Congressional Budget Office (CBO) which is included below.

B. STATEMENT REGARDING NEW BUDGET AUTHORITY AND TAX EXPENDITURES

In compliance with clause 2(l)(3)(B) of Rule XI of the House of Representatives, the Committee states that the Committee recommendations result in increased budget authority for direct spending programs relative to current law, and increased revenues.

C. COST ESTIMATE PREPARED BY THE CONGRESSIONAL BUDGET OFFICE

In compliance with clause 2(l)(3)(C) of Rule XI of the Rules of the House of Representatives requiring a cost estimate prepared by the Congressional Budget Office, the following report prepared by CBO is provided.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,

Hon. Bill Archer,
Chairman, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for Title IX of the proposed reconciliation bill, containing the non-Medicare spending recommendations of the Committee on Ways and Means.

The estimate shows the budgetary effects of the committee’s proposals over the 1998–2007 period. CBO understands that the Committee on the Budget will be responsible for interpreting how these proposals compare with the reconciliation instructions in the budget resolution. The estimate assumes that the reconciliation bill will be enacted by August 15; the estimate could change if the bill is enacted later.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Sheila Dacey, Kathy Ruffing, and Christina Hawley Sadoti for federal costs, and Leo Lex and John Patterson, for state and local impacts.

Sincerely,

June E. O’Neill, Director.
## DIRECT SPENDING

### Spending Under Current Law

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### Total

|                      | 0 | 2.34 | 2.49 | 2.59 | 1.79 | 1.43 |

### Spending Under Title IX

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### REVENUES

|                      | 0 | 0 | -11 | 488 | 495 | 410 |

### DEFICIT

|                      | 0 | 2.34 | 2.50 | 2.10 | 1.28 | 1.02 |

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1. Family support excludes the Temporary Assistance for Needy Families (TANF) block grant, federal administrative costs for child support enforcement, the Child Care block grant, certain research funding enacted in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), and residual outlays from several programs that were repealed by PRWORA.
2. CBO’s March 1997 baseline estimates for Supplemental Income and Medicaid have been adjusted upward by $200 million and $40 million, respectively, because of the supplemental appropriation signed by the President on June 12, 1997 (HR. 18711).
3. CBO's March 1997 baseline estimates for unemployment compensation have been adjusted to reflect increases due to the April 4, 1997, decision of the Court of Appeals, which affirmed the judgment in the case of Pennington v. Doherty.
4. Medicaid would also be affected by the reconciliation recommendations of the Committee on Commerce (Title III).

## BASIS OF ESTIMATE

CBO's estimates assume that the bill would be enacted by August 15, 1997. The following sections describe only those sections of the bill that are estimated to have significant budgetary effects.

### SUBTITLE A, TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Section 9001 would establish welfare-to-work grants for states and localities to help recipients of Temporary Assistance for Needy Families (TANF) find jobs. Grants totaling up to $3 billion would be awarded—$750 million in 1998, $1.25 billion in 1999, and $1 billion in 2000. A small amount of the grant money would be set aside for special purposes: 1 percent for Indian tribes and 0.5 percent for evaluation of welfare-to-work programs. The remaining money would be divided evenly between non-competitive grants to states and competitive grants to localities and private industry councils.
Non-competitive grants would be allocated to states based on a formula that equally considers states' shares of the nationwide number of poor individuals, unemployed individuals, and adult recipients of TANF. States must match the federal funds, spending one dollar of state money for every two dollars of federal money (a 67 percent federal match rate). To be eligible for federal matching, the state spending must be in addition to the maintenance of effort spending for the TANF program (80 percent of a state's historic spending on Aid to Families with Dependent Children and related programs.) States would be required to pass through 85 percent of the grant money to private industry councils and localities, which would have sole authority to spend the money after consulting with the state agency that administers the grant. The state could retain 15 percent of the money to fund welfare-to-work projects of the state's choice.

Competitive grants would be awarded directly to local governments and private industry councils and would not need to be matched by any state or local spending. The Secretary of Labor would be required to give at least 65 percent of the funds to cities that are among the 100 cities in the United States with the highest number of poor residents and at least 25 percent of the funds to rural areas.

Grantees could spend grant funds, either non-competitive or competitive, to help move recipients of TANF assistance into the workforce by means of job creation, on-the-job training, job placement, job vouchers or job retention, and support services. Any funds that were not obligated by a state or locality by the end of the fiscal year would be reallocated in the following year. Any funds that were not expended after 3 years would be returned.

Based on conversations with officials in half a dozen large states, CBO believes that states would draw down most of the non-competitive grant money. The officials indicated that the 67 percent match rate would be very attractive to their states and that spending on welfare-to-work programs is politically popular. CBO assumes most states would spend more than 80 percent of their historic level on benefit and work programs over this period under current law, and thus could draw down the federal grant without spending any additional state money.

However, not all the state officials were confident that their state would tap all the money available. Some states with particularly low spending relative to their historic level would need to expand state spending significantly in order to draw down the federal funds. Also, the requirement to pass much of the money through to private industry councils would make it less attractive for states to spend match money. The estimate assumes that 30 percent of the grant funds available in 1998 and 20 percent of the grant funds available in 1999 would not be used in those years but would be carried over to the immediately following years. The estimate assumes that 20 percent of the funds available in 2000 would not be used but would not be redistributed in 2001 because the bill does not allow grants to be made after 2000. States would spend the grant funds they draw down more slowly in the start-up years of the program than in the later years.
Because no match is required, CBO assumes that all of the competitive grant money would be spent. However, the competitive grant funds would be spent a little more slowly than the non-competitive grant money because the process of awarding the grants would delay spending.

Based on discussions with committee staff, the estimate assumes that the legislative language will be changed to clarify that state spending that is used to match welfare-to-work grant dollars cannot also be used to match contingency fund dollars.

CBO estimates that only $137 million of the $750 million available will be spent in 1998. This would increase to $1.1 billion by 2000 and then decline to $350 million by 2002. In total, all but $139 million of the $3 billion would be spent.

**SUBTITLE B, SUPPLEMENTAL SECURITY INCOME**

Subtitle B would reduce the deficit by an estimated $0.4 billion over the 1998–2002 period by raising fees that the federal government charges some states in the Supplemental Security Income (SSI) program.

*Increased Fees for Administration of State Supplements.*—About 6 million people now receive federal SSI benefits, which may be as high as $484 a month per person. Many states supplement that federal payment. As a convenience, states can request that the federal government administer the state supplement, so that beneficiaries receive a single check. About 2.7 million people get state supplements, of which 2.4 million are administered by the federal government and the rest by the states. Under a law enacted in 1993, the federal government charges states a fee of $5 per month for administering state supplements. Section 9103 of this bill would raise that in steps to $6.20 in fiscal year 1998 and to $8.50 in 2002. After 2002, the fee would be increased for inflation.

CBO assumed that the number of beneficiaries receiving federally-administered state supplementation would inch up to about 2.7 million in 2002. Although states would be free under another provision of the bill to cease their supplementation entirely, CBO assumed that relatively few would do so. Many may choose to pay smaller supplements than they would under current law, but that choice would not affect the federal government's proceeds from the fee, which depend on the number of supplements rather than on their size. CBO also assumed that few states would switch to state-administered supplementation to avoid the fee, because of the administrative headaches that would entail. Multiplying the number of supplements by the additional fee yields estimated proceeds of $35 million in 1998 and $105 million in 2002.

*Repeal of Maintenance-of-Effort Requirement.* Section 9201 of the bill would repeal the requirement (Section 1618 of the Social Security Act) that states which supplement the incomes of SSI recipients keep up that effort. States can choose between two methods of compliance with Section 1618: a “maintenance of expenditures” method (spending at least as much on supplementation as in the previous year) or “maintenance of payments” (maintaining per-capita supplements at 1983 levels). Currently, a total of about $3.6 billion in state supplements goes every year to approximately 2.7 million beneficiaries—figures that have changed little for several years.
The principal effect of repealing this requirement would be on state budgets. Potential effects on the federal budget would be small, and too speculative to estimate reliably. If states opt to trim their supplements, for example, the federal government would automatically pay larger Food Stamp benefits in most states (with the possible exception of California, as discussed below). On the other hand, a small number of people who participate in Medicaid solely because of state supplements might lose that coverage, leading to small savings in Medicaid.

California pays relatively generous supplements—accounting for more than half of the $3.6 billion paid nationwide, even though it has only about one-sixth of the nation’s SSI caseload—and has special permission to offer no food stamps to SSI recipients. Its supplements are decreed by federal law to represent a “cashout” of the small food stamp benefit that the recipient could otherwise get. By repealing section 1618, this title would leave the legal basis of that cashout status tenuous; the issue would be left for the executive branch and—very likely—the courts to decide. Even if California lost its cashout status, however, CBO believes that the effects on federal outlays would be fairly small. A large number of SSI beneficiaries in California would automatically become eligible for a small Food Stamp benefit; administrative costs in the Food Stamp program (which are split equally between the federal government and the state) would go up as a consequence; but a subset of recipients—those who live in households that include non-SSI recipients and whose income, for the first time, would begin to be counted with the other members’—would cause a fairly steep drop in household’s food stamp benefit.

SUBTITLE D—NONCITIZENS

Last year’s welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) ended the eligibility of most legal aliens for SSI benefits. Specifically, legal aliens could not receive SSI unless they fell in one of the exempted categories—chiefly refugees during their first 5 years in the United States, and aliens who had worked for 10 years or more in this country. (The same criteria were enacted for aliens seeking Food Stamp benefits.) The government stopped making new awards to legal aliens immediately after PRWORA’s enactment. The approximately half-million legal aliens who were on the rolls at the PRWORA’s enactment and who do not fall in one of the exempt categories faced the end of their SSI benefits in August or September, after a one-year grace period provided by PRWORA. The cutoff date was delayed to October 1, 1997, by the supplemental appropriation signed by the President on June 12, at an estimated cost in fiscal year 1997 of $0.2 billion.

This bill would spare those aliens who were on the SSI rolls in August 1996 from losing their benefits after October 1. CBO estimates that the number who would benefit from this provision, who totaled about 500,000 in August 1996, would average about 375,000 in fiscal year 1998 and 210,000 in 2002. That number falls for two reasons. First, the number would shrink naturally due to death or (less frequently) financial improvement; second, many who lost benefits as a result of PRWORSA were assumed by CBO to re-
turn to the rolls through naturalization. Multiplying the number of aliens retaining eligibility by an average benefit—assumed to equal about $425 in 1998 and $475 in 2002—yields outlays of $1.9 billion and $1.2 billion in those two years. The extra outlays would total $7.4 billion over the 1998–2002 period.

This bill would also extend the window of SSI eligibility for refugees from 5 years to 7 years after their arrival in the United States. (Since aliens generally must live here 5 years before they can become naturalized, this change would give more aged and disabled refugees a chance to complete the process without losing benefits.) Refugees; eligibility would remain at 5 years in the Food Stamp program. If the extension from 5 years to 7 years for refugees were enacted as a free-standing measure, it would cost approximately $100 million a year in SSI. However, the extra cost from the extension in this bill is negligible. Most of its cost in the 1997–2002 period as associated with refugees already in the country, and who have been here for more than 5 years or will soon hit the 5-year mark; but most of those people would be spared by the proposed “grandfather” provision for aliens on the rolls in August 1996.

Legal aliens who lost SSI would not necessarily have lost Medicaid. PRWORA fundamentally left up to the states whether to provide Medicaid coverage for aliens who were in the United States legally in August 1996. (Much tougher rules, notably a ban on non-emergency Medicaid benefits for five years after entry, applied to immigrants other than refugees who enter the country after August 1996.) CBO assumed that, because most states provide Medicaid for the aged and disabled who are “medically needy,” only about one-quarter of aliens who lost SSI would have lost or stopped participating in Medicaid. Under this bill, they would retain Medicaid. Multiplying those participants by an assumed average Medicaid cost of about $4,000 in 1998—reflecting the fact that aliens are clustered in states with lower-than-average federal matching rates and that, in the absence of regular Medicaid emergency Medicaid spending would have gone up—yields extra outlays of $0.3 billion in 1998 and gradually diminishing amounts thereafter.

**SUBTITLE E—UNEMPLOYMENT COMPENSATION**

Subtitle E would clarify that state base period determinations are not administrative provisions, increase the federal unemployment account ceiling, provide for a special distribution of $100 million to states in fiscal years 2000–2002, and restrict interest-free advances. In addition, Subtitle E would exempt from coverage under the federal unemployment tax act (FUTA) certain workers, including teachers at church-run schools, temporary election workers, and inmates who work in private businesses as part of a cooperative work program. The following table shows the budgetary effect of each of these provisions.

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**Base Period Determination.**—Section 9401 would clarify that base periods, as defined under state law, are not considered methods of administration for purposes of section 303(a)(1) of the Social Security Act. Enacting this section would reduce federal outlays for unemployment compensation by $26 million for fiscal year 1998 and by $148 million over the 1998–2002 period. Payroll taxes would be adjusted in order to compensate for these reductions. These payroll taxes are levied and collected by state governments but deposited with the federal government in the Unemployment Trust Fund (UTF). CBO estimates that revenue from payroll taxes would fall by $111 million over the 1998–2002 period. As a result, the deficit would be reduced by a total of $37 million over this five-year period. These savings assume that the CBO March 1997 baseline for unemployment benefit outlays and state deposit collections are adjusted to reflect increases due to the April 4, 1997, decision by the Seventh Circuit U.S. Court of Appeals, which affirmed the judgment in the District Court in the case of Pennington v. Doherty.

**Increase the Federal Unemployment Account Ceiling.**—Section 9402 would raise the statutory ceiling on the Federal Unemployment Account in the UTF from 0.25 percent of covered wages to 0.5 percent of covered wages beginning in fiscal year 2002. This change would increase the ceiling from about $7 billion under current law to about $14 billion. This increase would have no effect on revenues or outlays during fiscal years 1998–2002 but would have sizeable impacts on both outlays and revenues beginning in fiscal year 2003.

**Special Distribution to States.**—Section 9403 would eliminate certain transfers of UTF funds to states but allow for transfers of $100 million to take place in fiscal years 2000, 2001, and 2002. Current provisions of the Social Security Act require that when all of the federal accounts within the UTF reach their statutory limits, excess federal income is transferred to the state benefits accounts. CBO estimates that the federal accounts would reach these limits at the end of fiscal year 1999 and that approximately $0.9 billion would be transferred to the states and be available for expenditure beginning in fiscal year 2000. Similar transfers would continue throughout the baseline projection period. CBO estimated that states would spend about $300 million of these transfers each year, with slight adjustments for inflation.
This section would effectively increase the ceiling, because it would require amounts in excess of the ceiling, minus $100 million, to be held in the FUA regardless of the ceiling. This section would restrict transfers to $300 million over fiscal years 2000–2002, thereby reducing net outlays by $624 million compared to the current law. In contrast to CBO's baseline estimate, where state revenues would drop because of the transfer effected by the current FUA ceiling, CBO estimates that state tax rates would be maintained at levels that would yield roughly $1.5 billion more in revenues than had been estimated under current law. Enacting this section would reduce the federal deficit by about $2.1 billion over the 1998–2002 period.

Restriction on Interest-Free Advances to State Accounts.—Section 9404 would require states to meet certain criteria in order to be eligible to receive interest-free advances to their state benefit account in the UTF. Under current law, states are not charged interest on advances if they are repaid in full by September 30 of the calendar year the advances were made, and if no other advances were made during that calendar year. This proposal would further require that states meet certain funding goals in four of the last five quarters before the quarter in which the advance was required. U.S.C.

Currently, most states have sufficient balances in their benefit accounts and would not require advances in order to meet benefit payments. A few states, however, do not have balances that would meet the funding goal and could require advances within the projection period. Section 9404 would require that these states be charged interest on their advances, even if they are paid back by September 30.

In addition to intra-year borrowing due to timing of payroll tax receipts, states may require advances when economic conditions would cause outlays to increase or tax receipts to fall. Over the past five years (1992–1996), about $140 million in interest on advances was paid by the states. If this new policy had applied, interest payments would have been $20 million more than under current law. Assuming a 25 percent probability that similar conditions would recur, CBO estimates that additional interest payments of about $5 million annually, on average, would be collected, for a net deficit reduction of $25 million over fiscal years 1998–2002. These interest payments are shown in the offsetting receipts account of the UTF in function 900.

Exemption of Service Performed by Election Workers from the Federal Unemployment Tax Act (FUTA).—Section 9405 would exempt from FUTA coverage work performed by approximately 925,000 temporary election workers who staff polling places for one to two days during a local, state, or federal election. CBO estimates that enacting this provision would reduce benefit outlays and revenues by $1 million a year.

Exemption of Service Performed for an Elementary or Secondary School Operated Primarily for Religious Purposes from the Federal Unemployment Tax.—Section 9406 would eliminate FUTA coverage for approximately 71,000 elementary and secondary school teachers employed by religious organizations. CBO estimates that enacting this provision would reduce benefit outlays and revenues by $2 million a year.
Treatment of Certain Services Performed by Inmates.—Section 9407 would exempt from coverage under FUTA service performed by persons committed to penal institutions. Enactment of this section would reduce unemployment benefit outlays as well as FUTA and state employment tax revenues, but the amount is likely to be insignificant.

Estimated impact on State, local, and tribal governments: This title would impose no new intergovernmental mandates as defined under the Unfunded Mandates Reform Act of 1995 (UMRA) and would repeal an existing mandate under the Supplemental Security Income (SSI) program. In addition, the title includes other provisions that would have a significant effect the budgets of state, local, and tribal governments.

Repeal of mandatory SSI supplementation

Current law requires states to maintain their per-capita SSI supplements at 1983 levels or maintain their total expenditures at the level from the previous year. Once a state elects to supplement SSI, federal law requires it to continue in order to remain eligible for Medicaid payments. Title IX would repeal this mandate.

States currently supplement SSI annually with about $3.6 billion of their own funds. Although some states supplement SSI beyond what is required, most of the $3.6 billion can be attributed to the mandate to maintain spending levels. However, under the welfare reform law, most legal aliens will no longer be eligible for SSI or state supplements after August 1997. (This title would allow many of these legal aliens to remain eligible for SSI and supplements.) Based on data from the Social Security Administration, CBO estimates that the annual cost of the mandate will decrease to about $3.0 billion after August 1997 as a result of welfare reform. Even though this mandate would be repealed, CBO does not expect that states would cut their supplement programs significantly.

If the repeal of the maintenance-of-effort requirement results in California losing its cashout status, a large number of SSI beneficiaries in California would automatically become eligible for Food Stamps, and the state's share of the program's annual administrative costs would increase by $25 million to $50 million.

Other significant impacts

Welfare to Work.—The title would provide states and tribal governments with between $750 million and $1.25 billion annually for fiscal years 1998 through 2000 to move welfare recipients to work. In order to receive these funds, states would have to match each federal dollar with 50 cents of its own funds and also meet the 80 percent maintenance of effort requirement under the Temporary Assistance for Needy Families (TANF) program.

TANF Work Requirement.—The TANF work requirement (which specifies percentages of TANF families that must have a member engaged in work activities) would be modified in ways that CBO estimates would likely increase the net costs of meeting the work requirement. Such costs would not constitute a mandate as defined under UMRA because under TANF states have the flexibility to offset additional costs by tightening eligibility or reducing benefit levels.
Fees for Administering SSI Supplements.—CBO estimates that states would spend an additional $105 million annually by 2002 because of the increase in fees charged by the federal government to administer SSI supplements. The higher fees do not constitute a mandate because states contract voluntarily with the federal government to provide these services.

Welfare and Public Benefits for Aliens.—Subtitle D would grandfather the eligibility of aliens receiving SSI on August 22, 1996, enabling those aliens to continue receiving benefits. Assuming states continue to supplement SSI payments, the costs of these supplements would be approximately $400 million in 1998. Because Section 9102 of the subtitle eliminates the requirement for states to comply with maintenance-of-effort requirements in the SSI program, continuing supplemental benefits for these aliens would not constitute a mandate under UMRA.

The increased SSI eligibility that results from this subtitle would also lead to an increase in state costs for their share of Medicaid payments. These costs are estimated to total approximately $325 million in 1998, decreasing to $250 million in 2002. Because states have the authority to make programmatic changes in the Medicaid program to offset these costs, they would not be considered mandates under UMRA.

Unemployment Compensation.—This title contains a number of provisions that would affect states’ costs under the federal Unemployment Compensation program. Because state participation in this program is not required by federal law, the changes made by this subtitle would not be considered mandates as defined by UMRA.

The provision clarifying the base period for determining the eligibility of an applicant for unemployment would preserve the ability of states to define certain eligibility standards. The court decision that this provision would modify now applies to only three states (Illinois, Wisconsin, and Indiana). In the absence of this provision, however, 41 states could be required to adopt alternative base periods at a cost of $400 million annually in additional unemployment compensation benefits, as well as administrative costs.

Provisions raising the FUA ceiling would reduce transfers to state unemployment accounts by a total of about $2.5 billion from fiscal year 2000 to fiscal year 2002.

Under current law, states may receive interest-free advances to their state unemployment benefit accounts. Additional restrictions imposed by this title would result in fewer states qualifying for such loans. In total, CBO estimates that these restrictions would result in additional costs to state governments totaling approximately $5 million annually beginning in fiscal year 1998.

Estimated impact on the private sector: This title contains no private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995.


Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.
## APPENDIX TABLE: FEDERAL BUDGETARY EFFECTS OF TITLE IX BY SUBTITLE

(By fiscal year, in millions of dollars)

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Note: Details may not add to totals because of rounding.
V. OTHER MATTERS REQUIRED TO BE DISCUSSED UNDER THE RULES OF THE HOUSE

A. COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

In compliance with clause 2(l)(3)(A) of Rule XI of the Rules of the House of Representatives, the Committee concludes that the actions taken in this legislation are appropriate given its oversight activities related to the human resources programs within its jurisdiction.

B. SUMMARY OF FINDINGS AND RECOMMENDATIONS OF THE GOVERNMENT REFORM AND OVERSIGHT COMMITTEE

In compliance with clause 2(l)(3)(D) of Rule XI of the Rules of the House of Representatives, the Committee states that no oversight findings and recommendations have been submitted to this Committee by the Committee on Government Operations with respect to the provisions contained in this legislation.

C. CONSTITUTIONAL AUTHORITY STATEMENT

With respect to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, relating to Constitutional Authority, the Committee states that the Committee's action in reporting the bill is derived from Article I of the Constitution, Section 8 ("The Congress shall have power to lay and collect taxes, duties, imposts and excises to pay the debts and to provide for * * * the general Welfare of the United States * * *").

CHANGES IN EXISTING LAW MADE BY TITLE IX OF THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SOCIAL SECURITY ACT
TITLE XVI—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED

OPTIONAL STATE SUPPLEMENTATION

SEC. 1616. (a) *

(d)(1) Any State which has entered into an agreement with the Commissioner of Social Security under this section which provides that the Commissioner of Social Security will, on behalf of the State (or political subdivision), make the supplementary payments to individuals who are receiving benefits under this title (or who would but for their income be eligible to receive such benefits), shall, at such times and in such installments as may be agreed upon between the Commissioner of Social Security and such State, pay to the Commissioner of Social Security an amount equal to the expenditures made by the Commissioner of Social Security as such supplementary payments, plus an administration fee assessed in accordance with paragraph (2) and any additional services fee charged in accordance with paragraph (3).

(2)(A) The Commissioner of Social Security shall assess each State an administration fee in an amount equal to—

(i) *

(B) As used in subparagraph (A), the term "applicable rate" means—

(i) for fiscal year 1994, $1.67;
(ii) for fiscal year 1995, $3.33;
(iii) for fiscal year 1996, $5.00;
(iv) for fiscal year 1997 and each succeeding fiscal year, $5.00, or such different rate as the Commissioner of Social Security determines is appropriate for the State.
(I) the applicable rate in the preceding fiscal year, increased by the percentage, if any, by which the Consumer Price Index for the month of June of the calendar year of the increase exceeds the Consumer Price Index for the month of June of the calendar year preceding the calendar year of the increase, and rounded to the nearest whole cent; or

(II) such different rate as the Commissioner determines is appropriate for the State.

(C) Upon making a determination under subparagraph [(B)(iv)] (B)(x)(II), the Commissioner of Social Security shall promulgate the determination in regulations, which may take into account the complexity of administering the State's supplementary payment program.

* * * * * *

(d)(1) * * * *

* * * * * *

[(4) All administration fees and additional services fees collected pursuant to this subsection shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.]

(4)(A) The first $5 of each administration fee assessed pursuant to paragraph (2), upon collection, shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.

(B) That portion of each administration fee in excess of $5, and 100 percent of each additional services fee charged pursuant to paragraph (3), upon collection for fiscal year 1998 and each subsequent fiscal year, shall be credited to a special fund established in the Treasury of the United States for State supplementary payment fees. The amounts so credited, to the extent and in the amounts provided in advance in appropriations Acts, shall be available to defray expenses incurred in carrying out this title and related laws.

* * * * * *

[OPERATION OF STATE SUPPLEMENTATION PROGRAMS]

[SEC. 1618. (a) In order for any State which makes supplementary payments of the type described in section 1616(a) (including payments pursuant to an agreement entered into under section 212(a) of Public Law 93–66), on or after June 30, 1977, to be eligible for payments pursuant to title XIX with respect to expenditures for any calendar quarter which begins—

[(1) after June 30, 1977, or, if later,

[(2) after the calendar quarter in which it first makes such supplementary payments,

such State must have in effect an agreement with the Commissioner of Social Security whereby the State will—

[(3) continue to make such supplementary payments, and

[(4) maintain such supplementary payments at levels which are not lower than the levels of such payments in effect in December 1976, or, if no such payments were made in that month, the levels for the first subsequent month in which such payments were made.
[b](1) The Commissioner of Social Security shall not find that a State has failed to meet the requirements imposed by paragraph (4) of subsection (a) with respect to the levels of its supplementary payments for a particular month or months if the State's expenditures for such payments in the twelve-month period (within which such month or months fall) beginning on the effective date of any increase in the level of supplemental security income benefits pursuant to section 1617 are not less than its expenditures for such payments in the preceding twelve-month period.

[2] For purposes of determining under paragraph (1) whether a State's expenditures for supplementary payments in the 12-month period beginning on the effective date of any increase in the level of supplemental security income benefits are not less than the State's expenditures for such payments in the preceding 12-month period, the Commissioner of Social Security, in computing the State's expenditures, shall disregard, pursuant to a 1-time election of the State, all expenditures by the State for retroactive supplementary payments that are required to be made in connection with the retroactive supplemental security income benefits referred to in section 5041 of the Omnibus Budget Reconciliation Act of 1990.

[c] Any State which satisfies the requirements of this section solely by reason of subsection (b) for a particular month or months in any 12-month period (described in such subsection) ending on or after June 30, 1982, may elect, with respect to any month in any subsequent 12-month period (so described), to apply subsection (a)(4) as though the reference to December 1976 in such subsection were a reference to the month of December which occurred in the 12-month period immediately preceding such subsequent period.

[d] The Commissioner of Social Security shall not find that a State has failed to meet the requirements imposed by paragraph (4) of subsection (a) with respect to the levels of its supplementary payments for any portion of the period July 1, 1980, through June 30, 1981, if the State's expenditures for such payments in that twelve-month period were not less than its expenditures for such payments for the period July 1, 1976, through June 30, 1977 (or, if the State made no supplementary payments in the period July 1, 1976, through June 30, 1977, the expenditures for the first twelve-month period extending from July 1 through June 30 in which the State made such payments).

[e](1) For any particular month after March 1983, a State which is not treated as meeting the requirements imposed by paragraph (4) of subsection (a) by reason of subsection (b) shall be treated as meeting such requirements if and only if—

[A] the combined level of its supplementary payments (to recipients of the type involved) and the amounts payable (to or on behalf of such recipients) under section 1611(b) of this Act and section 211(a)(1)(A) of Public Law 93–66, for that particular month,

is not less than—

[B] the combined level of its supplementary payments (to recipients of the type involved) and the amounts payable (to or on behalf of such recipients) under section 1611(b) of this Act and section 211(a)(1)(A) of Public Law 93–66, for March 1983, increased by the amount of all cost-of-living adjustments under
section 1617 (and any other benefit increases under this title) which have occurred after March 1983 and before that particular month.

(2) In determining the amount of any increase in the combined level involved under paragraph (1)(B) of this subsection, any portion of such amount which would otherwise be attributable to the increase under section 1617(c) shall be deemed instead to be equal to the amount of the cost-of-living adjustment which would have occurred in July 1983 (without regard to the 3-percent limitation contained in section 215(i)(1)(B)) if section 111 of the Social Security Amendments of 1983 had not been enacted.

(f) The Commissioner of Social Security shall not find that a State has failed to meet the requirements imposed by subsection (a) with respect to the levels of its supplementary payments for the period January 1, 1984, through December 31, 1985, if in the period January 1, 1986, through December 31, 1986, its supplementary payment levels (other than to recipients of benefits determined under section 1611(e)(1)(B)) are not less than those in effect in December 1976, increased by a percentage equal to the percentage by which payments under section 1611(b) of this Act and section 211(a)(1)(A) of Public Law 93–66 have been increased as a result of all adjustments under section 1617(a) and (c) which have occurred after December 1976 and before February 1986.

(g) In order for any State which makes supplementary payments of the type described in section 1616(a) (including payments pursuant to an agreement entered into under section 212(a) of Public Law 93–66) to recipients of benefits determined under section 1611(e)(1)(B), on or after October 1, 1987, to be eligible for payments pursuant to title XIX with respect to any calendar quarter which begins—

(1) after October 1, 1987, or, if later

(2) after the calendar quarter in which it first makes such supplementary payments to recipients of benefits so determined,

such State must have in effect an agreement with the Commissioner of Social Security whereby the State will—

(3) continue to make such supplementary payments to recipients of benefits so determined, and

(4) maintain such supplementary payments to recipients of benefits so determined at levels which assure (with respect to any particular month beginning with the month in which this subsection is first effective) that—

(A) the combined level of such supplementary payments and the amounts payable to or on behalf of such recipients under section 1611(e)(1)(B) for that particular month,

is not less than—

(B) the combined level of such supplementary payments and the amounts payable to or on behalf of such recipients under section 1611(e)(1)(B) for October 1987 (or, if no such supplementary payments were made for that month, the combined level for the first subsequent month for which such payments were made), increased—

(i) in a case to which clause (i) of such section 1611(e)(1)(B) applies or (with respect to the individual
or spouse who is in the hospital, home, or facility involved) to which clause (ii) of such section applies, by $5, and
[(ii) in a case to which clause (iii) of such section 1611(e)(1)(B) applies, by $10.]

PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

Subtitle B—Eligibility for State and Local Public Benefits Programs

Sec. 411. Aliens who are not qualified aliens or nonimmigrants ineligible for State and local public benefits.

Sec. 413. Authorization for verification of eligibility for state and local public benefits.

Subtitle D—General Provisions

Sec. 431. Definitions.

Sec. 436. Derivative eligibility for benefits.

TITLE II—SUPPLEMENTAL SECURITY INCOME

SEC. 200. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

Subtitle B—Benefits for Disabled Children

SEC. 211. DEFINITION AND ELIGIBILITY RULES.

(a) * * *

* * * * * * *
(d) EFFECTIVE DATES, ETC.—

(1) * * *

(2) APPLICATION TO CURRENT RECIPIENTS.—

(A) ELIGIBILITY REDETERMINATIONS.—During the period beginning on the date of the enactment of this Act and ending on the date which is [1 year] 18 months after such date of enactment, the Commissioner of Social Security shall re determine the eligibility of any individual under age 18 who is eligible for supplemental security income benefits by reason of disability under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of, or amendments made by, subsections (a) and (b) of this section. Any redetermination required by the preceding sentence that is not performed before the end of the period described in the preceding sentence shall be performed as soon as is practicable thereafter. With respect to any redetermination under this subparagraph—

(i) * * *

(C) NOTICE.—Not later than January 1, 1997, the Commissioner of Social Security shall notify an individual described in subparagraph (A) of the provisions of this paragraph. Before commencing a redetermination under the 2nd sentence of subparagraph (A), in any case in which the individual involved has not already been notified of the provisions of this paragraph, the Commissioner of Social Security shall notify the individual involved of the provisions of this paragraph.

* * * * * *

TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

Subtitle A—Eligibility for Federal Benefits

SEC. 402. LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR CERTAIN FEDERAL PROGRAMS.

(a) LIMITED ELIGIBILITY FOR SPECIFIED FEDERAL PROGRAMS.—

(1) * * *

(2) EXCEPTIONS.—

[(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—Paragraph (1) shall not apply to an alien until 5 years after the date—

[(i) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;]
[(ii) an alien is granted asylum under section 208 of such Act; or
[(iii) an alien's deportation is withheld under section 243(h) of such Act.]

(A) **TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLOUS**.

(i) **SSI.**—With respect to the specified Federal program described in paragraph (3)(A), paragraph 1 shall not apply to an alien until 7 years after the date—

(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(II) an alien is granted asylum under section 208 of such Act; or

(III) an alien's deportation is withheld under section 243(h) of such Act.

(ii) **FOOD STAMPS.**—With respect to the specified Federal program described in paragraph (3)(B), paragraph 1 shall not apply to an alien until 5 years after the date—

(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(II) an alien is granted asylum under section 208 of such Act; or

(III) an alien's deportation is withheld under section 243(h) of such Act.

* * * * *

(D) **TRANSITION FOR ALIENS CURRENTLY RECEIVING [BENEFITS] FOOD STAMPS.**

(i) **SSI.**—

[(I) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)(A), during the period beginning on the date of the enactment of this Act and ending on the date which is 1 year after such date of enactment, the Commissioner of Social Security shall redetermine the eligibility of any individual who is receiving benefits under such program as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this subsection.

[(II) REDETERMINATION CRITERIA.— With respect to any redetermination under subclause (I), the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under such program.

[(III) GRANDFATHER PROVISION.—The provisions of this subsection and the redetermination under subclause (I), shall only apply with respect to the benefits of an individual described in subclause (I) for months beginning on or after the date of the redetermination with respect to such individual.
(IV) NOTICE.—Not later than March 31, 1997, the Commissioner of Social Security shall notify an individual described in subclause (I) of the provisions of this clause.

(iii) FOOD STAMPS.—

(I) (i) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)(B), ineligibility under paragraph (1) shall not apply until April 1, 1997, to an alien who received benefits under such program on the date of enactment of this Act, unless such alien is determined to be ineligible to receive such benefits under the Food Stamp Act of 1977. The State agency shall recertify the eligibility of all such aliens during the period beginning April 1, 1997, and ending August 22, 1997.

(ii) RECERTIFICATION CRITERIA.—With respect to any recertification under subclause (I), the State agency shall apply the eligibility criteria for applicants for benefits under such program.

(iii) GRANDFATHER PROVISION.—The provisions of this subsection and the recertification under subclause (I) shall only apply with respect to the eligibility of an alien for a program for months beginning on or after the date of enactment, if on the date of enactment of this Act the alien is lawfully residing in any State and is receiving benefits under such program on such date of enactment.

(E) ALIENS RECEIVING SSI ON AUGUST 22, 1996.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to an alien who was receiving such benefits on August 22, 1996.

(F) PERMANENT RESIDENT ALIENS WHO ARE MEMBERS OF AN INDIAN TRIBE.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to an alien who—

(i) is lawfully admitted for permanent residence under the Immigration and Nationality Act; and

(ii) is a member of an Indian tribe (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act).

* * * * * *

(b) LIMITED ELIGIBILITY FOR DESIGNATED FEDERAL PROGRAMS.—

(1) * * *

(2) EXCEPTIONS.—Qualified aliens under this paragraph shall be eligible for any designated Federal program.

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(i) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.
[(ii) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.
[(iii) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.]

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—
(i) MEDICAID.—With respect to the designated Federal program described in paragraph (3)(C), paragraph 1 shall not apply to an alien until 7 years after the date—
(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;
(II) an alien is granted asylum under section 208 of such Act; or
(III) an alien’s deportation is withheld under section 243(h) of such Act.

(ii) OTHER DESIGNATED FEDERAL PROGRAMS.—With respect to the designated Federal programs under paragraph (3) (other than subparagraph (C)), paragraph 1 shall not apply to an alien until 5 years after the date—
(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;
(II) an alien is granted asylum under section 208 of such Act; or
(III) an alien’s deportation is withheld under section 243(h) of such Act.

* * * * * *

Subtitle B—Eligibility for State and Local Public Benefits Programs

SEC. 413. AUTHORIZATION FOR VERIFICATION OF ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS.
A State or political subdivision of a State is authorized to require an applicant for State and local public benefits (as defined in section 411(c)) to provide proof of eligibility.

* * * * * *

Subtitle D—General Provisions

SEC. 436. DERIVATIVE ELIGIBILITY FOR BENEFITS.
(a) FOOD STAMPS.—Notwithstanding any other provision of law, an alien who under the provisions of this title is ineligible for benefits under the food stamp program (as defined in section
402(a)(3)(A)) shall not be eligible for such benefits because the alien receives benefits under the supplemental security income program (as defined in section 402(a)(3)(B)).

(b) MEDICAID.—Notwithstanding any other provision of this title, an alien who under the provisions of this title is ineligible for benefits under the medicaid program (as defined in section 402(b)(3)(C)) shall be eligible for such benefits if the alien is receiving benefits under the supplemental security income program and title XIX of the Social Security Act provides for such derivative eligibility.

* * * * * *

SECTION 212 OF THE ACT OF JULY 9, 1973

AN ACT To extend the Renegotiation Act of 1951 for one year, and for other purposes.

MANDATORY MINIMUM STATE SUPPLEMENTATION OF SSI BENEFITS PROGRAM

SEC. 212. (a) * * *

(b)(1) * * *

(3)(A) * * *

(B) The Secretary shall assess each State an administration fee in an amount equal to—

(I) the number of supplementary payments made by the Secretary on behalf of the State under this subsection for any month in a fiscal year; multiplied by

(II) the applicable rate for the fiscal year.

(ii) As used in clause (i), the term "applicable rate" means—

(I) for fiscal year 1994, $1.67;

(II) for fiscal year 1995, $3.33;

(III) for fiscal year 1996, $5.00; [and]

(IV) for fiscal year 1997 and each succeeding fiscal year, $5.00, or such different rate as the Secretary determines is appropriate for the State, taking into account the complexity of administering the State’s supplementary payment program.

(V) for fiscal year 1997, $5.00;

(VI) for fiscal year 1998, $6.20;

(VII) for fiscal year 1999, $7.60;

(VIII) for fiscal year 2000, $7.80;

(IX) for fiscal year 2001, $8.10;

(X) for fiscal year 2002, $8.50; and

(aa) the applicable rate in the preceding fiscal year, increased by the percentage, if any, by which the Consumer Price Index for the month of June of the calendar year of the increase exceeds the Consumer Price Index for the month of June of the calendar year preceding the calendar year of the increase, and rounded to the nearest whole cent;

(bb) such different rate as the Commissioner determines is appropriate for the State.
(iii) Upon making a determination under clause [(ii)(IV)]
(ii)(X)(bb), the Secretary shall promulgate the determination in reg-
ulations, which may take into account the complexity of admin-
istering the State's supplementary payment program.
(iv) All fees assessed pursuant to this subparagraph shall be transferred to the Secretary at the same time that amounts for such supplementary payments are required to be so transferred.

* * * * * *

[(D) All administration fees and additional services fees collected pursuant to this paragraph shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.]

(D)(i) The first $5 of each administration fee assessed pursuant to subparagraph (B), upon collection, shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.

(ii) The portion of each administration fee in excess of $5, and 100 percent of each additional services fee charged pursuant to subpara-
graph (C), upon collection for fiscal year 1998 and each subsequent fiscal year, shall be credited to a special fund established in the Treasury of the United States for State supplementary payment fees. The amounts so credited, to the extent and in the amounts provided in advance in appropriations Acts, shall be available to defray ex-
penses incurred in carrying out this section and title XVI of the So-
cial Security Act and related laws.

* * * * * *
Hon. JOHN R. KASICH,
Chairman, Committee on the Budget, U.S. House of Representa-
tives, Washington, DC.

DEAR MR. CHAIRMAN: On June 9, 1997, the Committee on Ways and Means, pursuant to H. Con. Res. 84, the Concurrent Resolu-
tion on the Budget for fiscal Year 1998, ordered favorably reported, as amended, its budget reconciliation recommendations on health items, to the Committee on Budget by a recorded vote of 36 to 3. Accordingly, I am now transmitting these recommendations to you.

Enclosed are the legislative language, explanatory report lan-
guage, estimates of the Congressional Budget Office and Joint Committee on Taxation and additional views. Under separate cov-
ers, I am transmitting the Committee's recommendations on human resources items and revenue items.

Please feel free to contact me or Pete Singleton if you have any questions. With best personal regards,

Sincerely,

BILL ARCHER, Chairman.

Enclosures

I. INTRODUCTION

A. PURPOSE AND SUMMARY

The goal of this legislation is to extend the financial life of the Medicare trust funds, to expand the private health plan choices available to Medicare beneficiaries, and improve the quality of Medicare coverage.

The Board of Trustees of the Medicare Hospital Insurance and Supplementary Medical Insurance trust funds have urged the Congress for many years to take action to curb the significant financial imbalance in the trust funds both in the short and long terms. In response to these recommendations, the House of Representatives passed the Medicare Preservation Act of 1995 in the 104th Congress, and included that bill in the Balanced Budget Act of 1995 which was passed by the Congress. This legislation would have kept the Medicare Hospital Insurance trust in balance to the advent of the retirement of the baby boomer generation and stemmed the unsustainable growth in the Supplementary Medical Insurance trust fund. It would also have greatly expanded the private health plan choices available to Medicare beneficiaries. Unfortunately, the Act was vetoed by the President. So, no substantive action regarding the challenges facing Medicare was taken in the 104th Con-
gress.
This legislation would extend the life of the Medicare Hospital Insurance trust fund to 2007. More importantly, with the great increase in program cost that will accompany the retirement of the baby boomer generation after 2010, this measure makes the structural changes in the program that will provide a platform for meeting the longer term financial issues facing Medicare.

The legislation expands the private health plan options available to beneficiaries, and will allow them to choose the type of coverage available to them during their working lives. The increased use of private health plans by beneficiaries will both improve coverage for most of those on Medicare, while offering them quality, cost-effective health care.

Further, the legislation modernizes Medicare payment on the fee-for-service side of the program. Today, 89% of Medicare beneficiaries choose to remain in fee-for-service Medicare. Over time that number will decline, but there will always be beneficiaries who prefer traditional Medicare coverage. To keep that option cost-effective, it is critical that payment for services give providers the incentive to offer quality care at the best price for the program. This legislation achieve this objective by expanding the use of prospective payment in Medicare to home health, skilled nursing, outpatient hospital department, and other services.

Also, to help control costs, the legislation expands on the anti-fraud and abuse initiatives in the Health Insurance Portability and Accountability Act of 1996. The legislation gives the power to Medicare to bar providers from the program who have been convicted of health care fraud, and requires certain new providers to post a $50,000 surety bond to assure that they will meet their obligations in offering Medicare services.

The legislation further begins the process of improving the Medicare benefit package through its prevention initiatives. It will encourage more preventative screening and empower beneficiaries with diabetes to better treat their disease.

This legislation achieves its objectives by improving the program and expanding opportunities for beneficiaries to seek and for providers to give more cost effective, quality health care without increasing current costs of health to Medicare beneficiaries.

B. BACKGROUND AND NEED FOR LEGISLATION

As in past years, the Board of Trustees of the Medicare Federal Hospital Insurance (HI) and Supplementary Medical Insurance (SMI) trust funds have called for action on the financial crisis facing the Medicare program. The HI trust fund now spends more money than it receives in revenues from the payroll tax, and will run out of reserves in 2001 according to the intermediate assumptions of the Trustees report.

In the report for this year, the Board of Trustees urge action on the HI trust fund:

"As we reported for the last several years, one of the Medicare trust funds, the Hospital Insurance fund, would be exhausted in four years without legislation that addresses its financial imbalance. Any trust fund exhaustion can and should be avoided, as it has been in the past."
Additionally, they note the need to attend to the unsustainable costs of the SMI trust fund:

"Costs of the Medical Supplementary Medical Insurance Program are rising rapidly and need to be addressed in the near term."

The short term imbalance in the Medicare Health Insurance trust fund and the excessive growth in the Supplementary Medical Insurance trust fund are fueled primarily by increasing health care costs. This cost growth, depending on the service, is due to ever-increasing prices, use of services, intensity of care, and new technologies. Once the baby boomer generation starts to retire, the rising proportion of Americans entitled to Medicare will present a new challenge and level of concern.

The Ways and Means Committee believes that the short term cost inflation problem faced by Medicare, as well as this longer term demographic problem the retirement of the baby boomers, requires the attention of the Congress.

The Committee has undertaken an effort to meet this challenge with a legislative program that contends with the short term cost inflation for both the HI and SMI trust funds. This program keeps the HI trust fund in balance to 2007. Further, the Committee takes steps to prepare the way for keeping Medicare in financial balance when it confronts the challenge of the baby boomer generation through the development of cost effective, private health plan options under MedicarePlus and the development of payment reform in costly areas of the Medicare fee-for-service program.

Additionally, the Medicare benefits have not been changed significantly since the inception of the program in 1965. Over the last thirty years, priorities in medical care have changed. There is now more emphasis given to disease prevention and health promotion, and most benefits packages in the private sector reflect these trends. Medicare still does not.

The Committee recognizes the need to modernize Medicare. Clearly life-extending and improving medical treatment is likely to be more effective the earlier a disease can be discovered, and better understanding of disease can empower beneficiaries with chronic illnesses to help take care of themselves.

Finally, the Committee continues to have concern with fraud and abuse of the Medicare program. The General Accounting Office has reported over the years that as much as 10 percent of Medicare expenditures are lost to fraud and abuse. In the last Congress, the Health Insurance Portability and Accountability Act took action to curb these costs. The Act stiffened penalties and appropriated additional funds to root out health care crime. However, more can be done, and this legislation recognizes this need and provides further steps to get the "bad apples" among the health care providers out of Medicare and to keep them out.

The Committee is committed to preserving and protecting Medicare as well as modernizing the program to expand the choices of coverage available to beneficiaries. This legislation has been developed to assure all Americans that the Medicare program will continue to improve with time and will be there for all those who expect it in their retirement years or if they become disabled.
C. LEGISLATIVE HISTORY

Committee recommendations

The Committee's budget reconciliation health recommendations to the House Committee on Budget were ordered favorably reported by the Committee on June 9, 1997, by a vote of 36 ayes and 3 nays. These recommendations were initially developed by the Subcommittee on Health, which favorably reported them by a unanimous roll call vote of 13–0 on June 4, 1997.

These recommendations includes nine subtitles. Subtitle A provides for the Medicare Plus program which will provide beneficiaries greater choice of health coverage. Subtitle B expands Medicare coverage to increase health promotion and disease prevention. Subtitle C improves payment for certain rural hospitals. Subtitle D includes initiatives to reduce health care fraud and abuse. Subtitle E modernizes Medicare payment by placing many services under a perspective payment system. Subtitle F provides for refinements in payment under Part A of Medicare and Subtitle G provides for refinements in payment under Part B of medicare. Subtitle H concerns matter related to both Parts A and B of Medicare. Subtitle I provides for medical liability reform.

Committee action

The Subcommittee on Health of the Committee on Ways and Means held the following hearings in the 105th Congress related to the Subcommittee's 1997 Budget Reconciliation proposals:
- February 13—Medicare Provisions in the President's Budget
- February 25—Medicare HMO Payment Policies
- March 4—Medicare Home Health Care, Skilled Nursing Facility, and other Post-Acute Care Payment Policies
- March 6—Medicare HMO Regulation and Quality
- March 11—Teaching Hospitals and Medicare Disproportionate
- March 13—H.R. 15, the “Medicare Preventive Benefit Improvement Act of 1997”
- March 20—Recommendations Regarding Medicare Hospital and Physician Payment Policies
- April 10—Rehabilitation and Long-Term Care Hospitals Payments
- April 17—Medicare’s Coverage Policy
- April 24—Medicare Provider-Sponsored Organizations
- April 29—Coordinated Care Options for Seniors

On June 4, 1997 the Subcommittee on Health of the Committee on Ways and Means favorably reported to the full Committee as amended, budget reconciliation health recommendations by a recorded vote of 13 to 0 with a quorum present.

On June 9, 1997 the Committee on Ways and Means approved, as amended, budget reconciliation health recommendations by a recorded vote of 36 to 3.

On June 13, 1997 the Committee on Ways and Means forwarded to the Committee on the Budget its budget reconciliation health recommendations.
Section 10306. Imposition of civil money penalties

Current law. Section 1128A of the Social Security Act sets forth a list of fraudulent activities relating to claims submitted for payments for items of services under a Federal health care program. Civil money penalties of up to $10,000 for each item or service may be assessed. In addition, the Secretary of HHS (or head of the department or agency for the Federal health care program involved) may also exclude the person involved in the fraudulent activity from participation in a Federal health care program, defined as any program providing health benefits, whether directly or otherwise, which is funded directly, in whole or in part, by the United States Government (other than the Federal Employees Health Benefits Program).

Explanation of provision. The provision would add a new civil money penalty for cases in which a person contracts with an excluded provider for the provision of health care items or services, where the person knows or should know that the provider has been excluded from participation in a Federal health care program. A civil money penalty is also added for cases in which a person provides a service ordered or prescribed by an excluded provider, where that person knows or should know that the provider has been excluded from participation in a Federal health care program.

Reason for change. This provision is intended to ensure that Medicare contractors are vigilant in checking the eligibility of health care providers for reimbursement. Currently, when erroneous payments are made to excluded individuals, the Medicare and Medicaid programs incur the damages.

Effective date. The provision would apply to arrangements and contracts entered into after the date of enactment of the Act.
Section 10308. Provision of Certain Identification Numbers

Current law. Section 1124 of the Social Security Act requires that entities participating in Medicare, Medicaid and the Maternal and Child Health Block Grant programs (including providers, clinical laboratories, renal disease facilities, health maintenance organizations, carriers and fiscal intermediaries), provide certain information regarding the identity of each person with an ownership or control interest in the entity, or in any subcontractor in which the entity has a direct or indirect 5 percent or more ownership interest. Section 1124A of the Social Security Act requires that providers under Part B of Medicare also provide information regarding persons with ownership or control interest in a provider, or in any subcontractor in which the provider has a direct or indirect 5 percent or more ownership interest.

Explanation of provision. The provision would require that all Medicare providers supply the Secretary with both the employer identification number and social security account number of each disclosing entity, each person with an ownership or control interest, and any subcontractor in which the entity has a direct or indirect 5 percent or more ownership interest. The Secretary of HHS is directed to transmit to the Commissioner of Social Security information concerning each Social Security number and to the Secretary of the Treasury information concerning each employer identification number supplied to the Secretary for verification of such information. The Secretary would reimburse the Commissioner and the Secretary of the Treasury for costs incurred in performing the verification services required by this provision. The Secretary of HHS would report to Congress on the steps taken to assure confidentiality of Social Security numbers to be provided to the Secretary of HHS under this section. This section's reporting requirements would then become effective 90 days after submission of the Secretary's report to Congress on confidentiality of Social Security numbers.

Reason for change. This provision is intended to provide the Secretary of HHS with additional information necessary to determine whether giving a provider number to a provider, physician, or supplier is in the best interest of beneficiaries. It also is intended to serve as a deterrent to individuals with past records of fraud and abuse who seek to provide services through the Medicare program. Because the Committee believes it is extremely important to protect the privacy and confidentiality of physicians, the provision does not take effect until the Administration provides a report to the relevant committees of Congress to provide assurance that there are adequate measures in place to protect the privacy of physicians.

Effective date. The reporting requirements of this provision are applicable to conditions of participation, entering and renewal of contracts, and payments for items and services furnished more than 90 days after the submission of the report described above.
VIII. CHANGES IN EXISTING LAW MADE BY THE
RECOMMENDATIONS AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to the omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SOCIAL SECURITY ACT

TITLE XI—GENERAL PROVISIONS, PEER REVIEW, AND
ADMINISTRATIVE SIMPLIFICATION

PART A—GENERAL PROVISIONS

DISCLOSURE REQUIREMENTS FOR OTHER PROVIDERS UNDER PART B OF MEDICARE

SEC. 1124A. (a) DISCLOSURE REQUIRED TO RECEIVE PAYMENT.—
No payment may be made under part B of title XVIII for items or services furnished by any disclosing part B provider unless such provider has provided the Secretary with full and complete information—

(1) on the identity of each person with an ownership or control interest in the provider or in any subcontractor (as defined by the Secretary in regulations) in which the provider directly or indirectly has a 5 percent or more ownership interest; [and]

(2) with respect to any person identified under paragraph (1) or any managing employee of the provider—

(A) on the identity of any other entities providing items or services for which payment may be made under title XVIII with respect to which such person or managing employee is a person with an ownership or control interest at the time such information is supplied or at any time during the 3-year period ending on the date such information is supplied, and

(B) as to whether any penalties, assessments, or exclusions have been assessed against such person or managing employee under section 1128, 1128A, or 1128B; and

(3) including the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing part B provider and any person, managing employee, or other entity identified or described under paragraph (1) or (2).

(c) VERIFICATION.—

(1) TRANSMITTAL BY HHS.—The Secretary shall transmit—

(A) to the Commissioner of Social Security information concerning each social security account number (assigned under section 205(c)(2)(B)), and

(B) to the Secretary of the Treasury information concerning each employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986),

supplied to the Secretary pursuant to subsection (a)(3) or section 1124(c) to the extent necessary for verification of such information in accordance with paragraph (2).
(2) VERIFYATION.—The Commissioner of Social Security and the Secretary of the Treasury shall verify the accuracy of, or correct, the information supplied by the Secretary to such official pursuant to paragraph (1), and shall report such verifications or corrections to the Secretary.

(3) FEES FOR VERIFICATION.—The Secretary shall reimburse the Commissioner and Secretary of the Treasury, at a rate negotiated between the Secretary and such official, for the costs incurred by such official in performing the verification and correction services described in this subsection.

[(c)] (d) DEFINITIONS.—For purposes of this section—

(1) the term "disclosing part B provider" means any entity receiving payment on an assignment-related basis (or, for purposes of subsection (a)(3), any entity receiving payment) for furnishing items or services for which payment may be made under part B of title XVIII, except that such term does not include an entity described in section 1124(a)(2);
Dissenting Views of the Democratic Members of the Committee on Ways and Means on the Human Resource Provisions submitted by the Committee on Ways and Means

During discussions on the fiscal year 1998 budget resolution, the Clinton Administration and Republican congressional leaders entered into good faith negotiations on the steps that would be taken to eliminate the deficit by 2002 and, at the same time, carry out important national initiatives. The final budget agreement included only the following human resource matters that fall within the jurisdiction of the Committee on Ways and Means:

- **Welfare-to-work.** A $3 billion welfare-to-work initiative with capped mandatory spending through 2001 to TANF, allocated to States through a formula and targeted within a State to areas with high poverty and unemployment. A share of funds would go to cities/counties with large poverty populations commensurate with the share of long-term welfare recipients in those jurisdictions.

- **Eligibility for legal immigrants.** Restoration of SSI and Medicaid eligibility for all disabled legal immigrants who are or become disabled and who entered the U.S. prior to August 23, 1996.

- **Refugees and asylees.** Lengthening the exemption for refugees and asylees from the first 5 years in the country to 7 years in order to provide SSI and Medicaid.

- **SSI fees.** An increase in the fees charged by the Social Security Administration for administering State supplemental payments.
UI provisions.— An increase in the ceilings of the Federal FUTA-funded accounts in the Unemployment Trust Fund to increase trust fund solvency and an increase in fraud reduction funds.

Unfortunately, the Republican majority, lead by Subcommittee Chairman Shaw and full Committee Chairman Archer, chose to violate the budget agreement negotiated by their own leaders and deviate from agreed to policy. The Committee report:

• Violates the budget agreement deal to restore SSI benefits to certain legal immigrants. Claiming to have proposed a better policy than the budget, the Committee report actually extends benefits to 75,000 fewer legal immigrants in 2002 than the budget agreement would. That’s not good enough.

• Creates a subminimum wage, sending the message that welfare recipients who go to work don’t deserve the minimum wage or other important labor protections — for them, apparently, a subminimum wage is good enough. It’s not good enough for us.

• Lets States cut back on the SSI benefits of as many as 2.8 million elderly, blind, and disabled Americans, ending Medicaid for nearly 400,000 of them, even though no Federal savings accrue from this policy. That is unconscionable.

There was one real attempt to be bipartisan in developing the Committee’s human resource provisions. This related to the welfare-to-work provisions carrying out the commitment to a $3 billion program for this purpose. The bipartisan effort worked and needs only minor improvement.

The record of the Democratic Members of the Committee on Ways and Means on deficit reduction is irrefutable. We would like nothing better than to support a budget reconciliation bill that eliminates the deficit while also restoring benefits to needy legal immigrants. Such a bill would be easy to draft. But this is not such a bill. We cannot support legislation that
undermines our commitment to helping welfare recipients find and keep a job, or one that trades one group of human beings for another. The American people expect better of us and they deserve it.

The remainder of these dissenting views explain, in detail, the reasons for our united opposition to this legislation.

The Committee Report Authorizes a Subminimum Wage — We Cannot Support It

The Committee bill violates the principle that work should pay a decent wage, under decent working conditions. If we want to signal that we expect welfare recipients to move into the workplace — and we must — we must demonstrate that it pays to work. Surely, the best way to do that is to provide a livable wage and decent working conditions, as we demand for all other workers, not by giving welfare recipients moving to work the badge of second class citizenship. This was not part of the budget agreement.

The old welfare law — known as Aid to Families with Dependent Children (AFDC) — made clear that only someone placed in a workfare position (also known as community work experience, or CWEP) did not earn wages and could only be required to work in exchange for their benefit for the number of hours that resulted from dividing the welfare benefit by the minimum wage. No mention was made of the Fair Labor Standards Act.

The new welfare law repealed all of AFDC — including the workfare rules — replacing it with the Temporary Assistance to Needy Families (TANF) program. The Department of Labor, as it does routinely, analyzed the new law to determine how the Fair Labor Standards Act applied. In large measure, that conclusion rests on whether or not the individual is an "employee." DOL concluded that any work activity (except for bona fide training) under TANF is covered by the labor protections of the Fair Labor Standards Act and, as a result, participants must receive the minimum wage for work performed.
The Committee bill includes language designed to override DOL's conclusion that the Fair Labor Standards Act applies. It states that:

- Welfare recipients in placements in the public and nonprofit sectors are not defined as employees.

- States may not require recipients to be employed by a public or private agency for a number of hours greater than the "welfare benefits package" divided by the minimum wage.

- The "welfare benefits package" must include TANF and food stamps, may include the value of housing, child care, and Medicaid, and may include time spent in education, training and job search activities. Two methods are specified for valuing these benefits; States may count the actual value received by the family, or may compute an average.

In our view, work is work. A worker is a worker. The Administration is not creating new policy, new rights, or new coverage. All it is saying is that when workfare is work it must be treated as work and welfare recipients treated as employees. That seems clear, simple, and fair.

Taking away basic legal protections from workfare workers is a license to exploit the most vulnerable working women and families. It's a statement that some women should work for wages below the minimum wage, tolerate more discrimination and sexual harassment, and have fewer safety protections on the job. If she refuses sexual advances, or dangerous work without proper safety equipment, she will have nowhere to turn — the fig leaf of extending health and safety standards to her is just that, a fig leaf. The Committee bill does not restore to her the same remedies for challenging workplace safety that protect every other American worker.

No other program has ever required workers to work at subminimum wages. Counting child care, health insurance and food stamps against wages means that no matter how many more hours these
women work, their pay will never increase. Such services should keep working families afloat, not drag them down.

And, it unfairly pits welfare recipients against the working poor, who are better off but only marginally so. It opens the door for the conclusion that employers should be permitted to subtract the cost of health benefits from the minimum wage earnings of non-welfare workers or that employer-provided child care now count against the wages of the minimum wage worker not on welfare.

To illustrate the unfairness of the policy, let’s consider how it would actually work. Consider two cities — one contracts out its park maintenance work to the private sector, the other pays city employees to do it. Under the Committee bill, a welfare recipient doing park maintenance in one city will get the minimum wage and all labor protections and benefits, while the other welfare recipient does the same job and works off her welfare, housing and Medicaid. How is that equitable?

The Democratic Members of the Committee tried, in vain, to protect workers from this subminimum wage. Rep. Pete Stark (D-CA) offered an amendment to strike the offending language. The Republican majority rejected the Stark amendment, by a party-line vote of 16 to 22 (Rep. Jerry Weller (R-IL) was absent).

If payment of a liveable wage is a threat to job placement as the participation requirements increase for States in the later years, we should address these issues through bipartisan discussions with Federal and State officials, not by an across-the-board swing at welfare recipients going to work. Our Republican colleagues have often pointed out that declining caseloads have left most States with a windfall of finds, at least in the early years. It is our view that States should be investing those funds in aggressive education, training and work activities now so that recipients are prepared when time limits and tough participation rules take effect.

The Republican Bill Lets States Hurt the Low-Income Elderly and
Disabled — We Cannot Support It

In the 1970's, when the Federal SSI program was created to provide income support to poor elderly, blind, and disabled Americans, some States already provided such benefits. To make certain that the aged, blind, and disabled received the full value of their SSI check — every year — Congress enacted a State maintenance-of-effort requirement, that made certain that States passed on to all SSI recipients any Federal benefit increase. Otherwise, each dollar that the Federal government intended to go into the pocket of the elderly, blind, and disabled would, instead, end up in State treasuries.

The Republican majority — at the urging of California Governor Pete Wilson — decided State flexibility was more important than helping elderly, blind and disabled Americans avoid poverty, so they used the budget reconciliation bill to propose a repeal of the SSI maintenance-of-effort requirement. Worst case, 2.8 million SSI recipients are at risk of becoming poorer from this provision; more than 350,000 of them could lose Medicaid entirely. Of course, that was not part of the budget agreement.

The American Association of Retired Persons (AARP) says it best, in their letter to Members of the Committee opposing the Archer and Shaw marks on this point: "If the maintenance of effort requirement is repealed, many of our most vulnerable citizens who are elderly and disabled would face serious and irreversible economic hardship. (Emphasis ours)

Probably the most remarkable aspect of this proposal is that it has absolutely no effect on the Federal budget — or the deficit. There are no federal savings involved because there is no Federal spending on SSI supplements. At issue is State spending — and the question of whether or not Federal SSI benefit increases will actually reach the elderly and disabled citizens for whom we authorized them, or wind up, instead, in State treasuries. And remember, all we are asking States to do is maintain their SSI supplements at the level they paid in 1983 — fourteen years ago!

The Democratic Members of the committee, led by Rep. Bob Matsui
(D-CA), proposed to protect SSI recipients from the potential loss of State SSI supplements. The Republican majority rejected that amendment by a straight party-line vote of 16 to 23.

The Republican Bill Hurts Disabled Legal Immigrants — We Cannot Support It

A cornerstone of the bipartisan budget agreement was the restoration of benefits to certain legal immigrants made ineligible for SSI and Medicaid under the new welfare reform law. President Clinton made clear when he signed the new law that he thought the cuts affecting legal immigrants went too far and vowed to restore them.

The Committee bill violates the bipartisan budget agreement — accepted by House and Senate leaders of both parties — which explicitly states that legal immigrants, who were in our country on August 22, 1996, would be eligible for SSI benefits regardless of when they become disabled.

Instead, Republicans have proposed to trade one group of human beings for another group, offering to "expand" coverage to all elderly legal immigrants currently on SSI, in exchange for eliminating it for those who become disabled in the future. According to the Social Security Administration, this results in the restoration of 75,000 fewer recipients in FY 2002 and 125,000 fewer by FY 2007 than the budget agreement policy. And, it means that any legal immigrants present by August 22 of last year, who qualify as disabled after that date, can never get benefits.

To correct this inequity, Rep. Xavier Becerra (D-CA) proposed to add the so-called "disabled after entry" to the Republican policy of grandfathering. The Republican majority rejected this amendment, by a vote of 19 -20, even though the addition of this amendment left the whole legal immigrants package within striking distance of the $9.7 billion allowed by the budget agreement. (Three Republicans — Reps. Thomas (R-CA), Johnson (R-CT) and Collins (R-GA) supported the Becerra amendment.) During deliberations by the Subcommittee on Human Resources, Ranking Member Rep. Sandy Levin (D-MI) proposed to simply replace the Shaw
legal immigrants policy with what was in the budget agreement. That too was spurned by the Republican majority.

**Education and Teen Parents — A Reasonable Middle Ground**

There were a few brighter moments during consideration of this legislation. After a spirited debate, the Democratic Members of the Committee managed to convince a majority that it would be a mistake to pit teenagers on welfare who need to go to school against other welfare recipients who haven't finished their basic high school education. The Chairman’s mark had proposed to limit (to 30 percent of those subject to the work requirements) the number of TANF recipients who can be in vocational education and still meet the work requirement, teen parents — who everyone agrees need to go to school — would have been included in that limitation, making it difficult for the 40 percent of all welfare recipients who lack a high school degree to pursue that goal.

To correct this problem, the Committee adopted, with the support of four Republican Members — Mrs. Johnson, Mr. Bunning, Mr. Houghton, and Mr. Collins — and all 16 Democrats, an amendment by Rep. Barbara Kennelly (D-CT) removing teen parents from the calculation of the vocational education limit.

It should be noted that the Republican majority rejected, by a straight party-line vote of 16 to 21 (Mr. Ramstad and Mr. Nussle were absent), what would have been the best approach. Rep. Pete Stark (D-CA) proposed to strike the language of the bill and retain the present law limit on vocational education, which is 20 percent of the total TANF caseload. This would have given States the most flexibility, enabling them to tailor their work requirements to the actual needs of recipients. The National Governors' Association, the National Conference of State Legislators, and the American Public Welfare Association, all supported the two Democratic amendments.

**A Bipartisan Welfare-to-Work Program**
The only bipartisan discussions in the human resource area occurred in drafting the welfare-to-work initiative. The budget agreement includes funding for a $3 billion welfare-to-work program designed to help long-term welfare recipients and those facing an imminent loss of benefits due to a time limit to find work.

To carry out this responsibility, the Democratic Members began by crafting a set of principles by which we would evaluate legislative proposals for the welfare-to-work funds. In summary, we concluded the following:

**Purpose.**— The $3 billion in capped mandatory funds for a welfare-to-work initiative should be used only to expand the supply of jobs for low-skilled workers at high risk of reaching welfare time limits.

**Eligible participants.**— For this grant program, eligible participants should be limited to those TANF recipients who have had no significant work experience in the past 3 years, who have received cash assistance for more than 36 months, and who have participated in a structured job search program under TANF without securing employment. Our goal was to assure that the program concentrated its resources to the hardest to employ recipients.

**Distribution of funds.**— Grants should be awarded by the Department of Labor, in consultation with the Departments of HHS and HUD, to both States and communities on the basis of merit to those proposing the most innovative and promising approaches to creating job opportunities for hard to employ welfare recipients.

A substantial portion of all grants should be awarded to those areas of a State with the highest combination of poverty, unemployment, and job shortage, without unnecessary duplication of effort between the State and community grants. One percent of available funds should be reserved for evaluation. The remaining funds should be awarded on merit to the entity in the State responsible for meeting the TANF work requirements, with authority for that agency to contract for any allowable activity. Any unused
funds should be reallocated to qualified applicants and grantees.

Allowable activities.— Under these grants States and communities should be permitted to offer any combination of the following activities (1) wage subsidies to expand the supply of private sector jobs; (2) job creation in private nonprofit or public agencies designed to address pressing community needs; (3) contracts with job placement companies or public job placement programs; (4) job vouchers; and (5) job retention or support services for employment purposes. The program should include strong assurances of nondisplacement and nondiscrimination.

Performance bonuses.— A portion of the funds should be set aside in later years for performance bonuses to States to reward placement and retention of long-term TANF/AFDC recipients in permanent jobs.

HHS role.— Grants should be awarded to a State only if the Department of Health and Human Services determines that (1) the State cannot meet its TANF work requirements without additional funds; (2) total State spending on TANF work activities in the prior fiscal year exceeded State spending on JOBS programs in fiscal year 1996; (3) the State has met 100 percent of its maintenance-of-effort requirements under TANF; and (4) the State has the ability and resources to carry out the proposed project.

Nearly all of these Democratic goals were achieved in the version of the welfare-to-work program included in the Committee bill. At the urging of the Administration and the Democratic Members, half the new funds were reserved for competitive grants, the remainder to each State by formula, with instructions that the funds go to sub-State areas with high unemployment, poverty and welfare caseloads. The competitive funds would be spent among rural areas and the 100 poorest cities.

The eligible population was carefully targeted to assure that those least likely to find a job on their own will be a priority for these grant funds and that the State and local TANF agencies and JTPA agencies work together to deliver on the job creation promise.
Two important amendments were offered during Committee deliberations on the budget reconciliation bill and should be noted here.

First, Rep. Ben Cardin (D-MD) offered an amendment which extends to the new welfare-to-work grant the same basic labor protections, including anti-displacement language, that the House overwhelmingly approved as part of its workforce bill. It was adopted by voice vote. It is the view of the Democratic Members of the Committee that these same protections should be extended to all TANF recipients, whether or not they participate in the welfare-to-work initiative. This would be the fairest and simplest approach.

Second, Rep. John Tanner (D-TN) offered an amendment that would have created a performance bonus for the new welfare-to-work block grant, making certain that extra funds are awarded to those projects that do the best job of placing, and retaining, welfare recipients. The Republican majority rejected this amendment, by a vote of 16 to 19 (Rep. Ensign (R-NV) voted for the Tanner amendment; Reps. Neal (D-MA), Thomas (R-CA), Nussle (R-IA), Johnson (R-TX) were absent).

We are especially troubled that the Republican majority would not establish the principle of performance-based funding for this new grant program. Although we understand that it will be difficult to identify precise measures of performance and worry about skewing program design towards those easiest to place and retain in jobs, we believe it is a mistake to miss this opportunity to establish the principle that we expect results for our investment.

We know too little about what works and doesn't and even less about what needs to be done for the hardest to employ. Past program evaluations have usually focused on job retention measures of 18 months, or less, hardly enough time for us to judge placement of long-term welfare recipients to be a true success. Even if the actual bonuses must wait until later in the program, it would be much better, in our view, for work to be underway on such measures now. With continuing scarce resources to invest in these programs, it is all the more important that we be able to distinguish among the best.
Mixed Signals to the Parents of SSI Disabled Kids

Finally, we would like to note that the Committee bill would extend the effective date for the SSI disabled children provision in the 1996 welfare legislation for 6 months, from August 22, 1997 until February 22, 1998. This would give the Social Security Administration needed additional time to do redeterminations of the eligibility of children affected by the 1996 law. This extension received bipartisan support as a part of the Welfare Reform Technical Corrections Act of 1997.

However, the Committee bill also includes language which would effectively eliminate this new February 22, 1998, effective date. By permitting SSA to review any case "as soon as practicable" after the effective date, the language allows SSA to ignore the date and review cases at any time in the future. This review process should not be permitted to go on indefinitely. Not only does it relieve SSA of its duty to comply with the law by the stated effective date, it leaves children and their parents uncertain as to whether they might be cut off at any time in the future.

Parents and children do not know the basis on which they were awarded benefits. Thus, they do not know whether SSA has not reviewed their case because: (1) they are in a category that SSA is not required to review under the new law or (2) SSA has just "missed" their case. Without a specific effective date, every SSI disabled child will be left in indefinite uncertainty as to his or her status. This will include millions of children who would otherwise have nothing to worry about, but for the indefinite nature of this effective date.

Our Conclusion — This Bill is Tough on Women, the Elderly, and Disabled Legal Immigrants — We Cannot Support It

If the Republican majority had been willing to live within the budget agreement it would have been an easy matter to craft a welfare-related budget reconciliation bill that enjoyed broad bipartisan support. The
provisions in the budget agreement with respect to the restoration of benefits for legal immigrants were clear and a bipartisan agreement among our leaders had been reached.

Republicans and Democrats had worked together to design a welfare-to-work initiative that was carefully targeted to those most in need and distributed to those areas of the country experiencing the highest poverty, unemployment, and welfare receipt. Had the majority stopped there, we would have no need for these dissenting views.

But the Republican majority didn't stop there. Instead, they chose to unravel the budget agreement, leaving thousands of disabled legal immigrants without SSI and Medicaid. They chose to reopen the minimum wage debate, establishing a subminimum wage for women on welfare and leaving them unprotected from sexual harassment. And, they chose to let States reduce or eliminate their SSI supplemental payments, potentially leaving millions of elderly and disabled recipients — 60 percent of whom are women — poorer.

That's not what the American people mean when they tell us they want us to balance the budget and reduce their taxes. Along the way, they expect us to also protect children, the elderly and the disabled. Based on this experience, we conclude that the Republicans have abandoned these basic values. It was with a clear conscience that all 16 of us voted "no." We can — and should — do better.
Dissenting Views of Democratic Members

[Signatures]

[Signatures]
Additional Views of Ranking Democrat John Spratt

Some Democrats supported and others opposed the budget resolution, but all agree that the reconciliation bills should comply with the Bipartisan Budget Agreement. This bill does not. It includes a number of provisions that directly violate the Budget Agreement or were never part of it and go well beyond its scope. We will keep working on the floor and in conference to see that the majority keeps its commitments and makes necessary changes to the bill. Those of us who voted for the bill in committee made clear that our votes on the floor will rest on the resolution of numerous outstanding issues, preferably by a self-executing rule.

Among the provisions that Democrats object to are:

(a) **SLMB**: $1.5 billion must be included for Medicaid to ease the impact of Medicare Part B premiums on low-income Medicare beneficiaries. These funds were provided both in the Bipartisan Budget Agreement and the budget resolution. The reconciliation bill provides only $0.5 billion for this purpose. This money is important to protect low income Medicare beneficiaries who will be paying higher Part B premiums when the cost of home health care is shifted to the Part B. We understand that a satisfactory resolution to this issue will be included in the rule for consideration of the reconciliation bill.

(b) **Children’s Health**: The Children’s Health Assistance Program is unacceptable in its present form because there is no safeguard that the $14 billion the bill provides will reach the beneficiaries it is intended to help: uninsured children. CBO estimates that the committee bill would extend Medicaid and insurance coverage to 520,000 children each year who otherwise have been uninsured and to about 345,000 who have been insured even without the reconciliation bill. This is far short of the target of 5 million additional insured children set forth in the Budget Agreement. At a minimum, the bill should stipulate that the children’s health care block grant be used solely to provide medical insurance to children under the age of 19 who would otherwise be uninsured.

(c) **FLSA/Minimum Wage**: The sections affecting the Fair Labor Standards Act and related labor laws should be struck. When TANF (Temporary Assistance for Needy Families) beneficiaries take part in workfare in public sector and non-profit agency jobs, they should receive the minimum wage and the basic protections other American workers enjoy. The 1988 Family Support Act dealt with the status of workfare participants. Experience with its provisions has been uneventful and there is no reason not to carry forward its provisions. We have proposed, therefore, as an alternative to the bill the Family Support Act’s definition of workfare, requiring that workfare serve a useful public purpose, connected with social services, health or environmental protection, urban or rural development, welfare, recreation, public facilities, public safety, and day care. All of the above was set forth in Section 482(1)(1A) of the Social Security Act until it was repealed by the welfare reform law. We have also
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proposed that the hours of workfare be calculated by adding TANF cash assistance and Food Stamps and dividing that sum by the minimum wage. This was Section 482(f)(1)(B)(i) of the Social Security Act before it was repealed. It is not only unprecedented but unworkable to impute other benefits to income. We also propose that once the TANF recipient has satisfied all workfare hours, other activities (such as education, training, and job search) should count toward meeting the required hours of participation. We proposed borrowing two work standards from Sections 484(1) and (3) of the Social Security Act: (i) that each work assignment take into account the physical capacity, skills, experience, health and safety, and family responsibilities of the workfare participant, (ii) that participants not be discriminated against on the basis of race, sex, national origin, religion, age, or handicapping condition, and that they have rights available under applicable federal, state, and local laws prohibiting discrimination. This reasonable proposal is drawn from provisions of law that have been shown to be feasible. These provisions should be made part of the reconciliation bill by a self-executing rule, replacing provisions of the current text of the bill that are unfair and unworkable.

(d) Medicaid Eligibility for Disabled Children: The bill should amend Supplemental Security Income (SSI) so that children who lose eligibility for SSI benefits as a result of the welfare reform law will still retain Medicaid benefits. The cost is nominal ($100 million over 5 years), and it can be paid for by deducting it from funds allocated to the children’s health block grant. The total for all children’s health programs would remain $16 billion, as called for the Budget Agreement.

(e) SSI/State Maintenance of Effort: The provision repealing current SSI state maintenance of effort requirements should be struck to protect individuals from losing their SSI and Medicaid benefits. Since federal SSI payments are not at issue, striking this provision will not reduce the savings in the bill. Yet under the bill, 2.7 million Americans could receive smaller state SSI supplemental payments. About 350,000 receive only state supplements because their Social Security check is virtually the same size as the federal SSI benefit. For them, losing the state supplement means losing their entire SSI benefit and thus Medicaid eligibility.

(f) Disabled Legal Immigrants: Both the budget resolution and Budget Agreement explicitly provide that all legal immigrants who entered the United States before August 23, 1996, will be eligible for Medicaid and SSI if they later become disabled. President Clinton has sent Chairman Kasich a letter promising to veto the reconciliation bill unless its immigrant provisions conform to the Budget Agreement by extending SSI and Medicaid to such immigrants. We hope that Congress will heed the President’s warning.

(g) Food Stamp Work Slots: The budget resolution anticipated that up to 350,000 more workfare slots for people between age 18 and 50 would be created and allocated $1
billion to this end. But the bill authorizes some of the funds to be used for purposes other than to create work slots. The bill should be clear that the extra $1 billion can be used only to create workfare slots for these people and not to pay for state Food Stamp administration costs or any other purposes.

(b) Medicare Solvency: The cost of home health care after 100 visits per year should be transferred from Medicare Part A to Part B in one step. This transfer is called for in the Budget Agreement as well as in the bill reported by Commerce, but Ways and Means proposes to transfer home health care costs in phases. Making the transfer immediate ensures solvency of the Part A Trust Fund for at least 10 years, adding at least 2 more years of assured solvency than a phased transfer.

(i) Medicaid for D.C. and the territories: The Budget Agreement and budget resolution include an additional $919 million to fund a higher Federal Medicaid match rate for the District of Columbia and $250 million for an inflation adjustment for Medicaid programs in Puerto Rico and the territories. The reconciliation bill contained no funds for either purpose, and these funds should be added to meet commitments made.

(j) Multi-Employer Welfare Associations (MEWAs): This proposal is controversial, was never included in the Budget Agreement or discussed in the budget negotiations, and should be deleted. It supplants state health insurance regulation and replaces it with inadequate solvency standards administered by a federal agency with little expertise in the field.

(k) Medical Savings Accounts: MSAs are also controversial and were never part of the Budget Agreement. In addition, the 500,000 MSAs permitted by this bill will cost Medicare $2 billion over the next five years, according to CBO. The Senate has heeded CBO's warning and limited MSAs to a demonstration level of 100,000. This is sufficient to test their merit as a Medicare alternative, and the bill should go no further than this limited level.

(l) Medical Malpractice: The bill preempts state law and provides a two-year statute of limitations and a five-year statute of repose, a $250,000 cap on non-economic damages, and limits on punitive damages. It also allows collateral benefits in evidence. The provisions apply to all medical malpractice actions, not just cases involving Medicare and Medicaid. These provisions were not considered by the Judiciary Committee, the committee with primary jurisdiction. They were not part of the Budget Agreement and should not be retrofitted onto this bill and considered in this manner.

(m) Food Stamp/Medicaid Eligibility Privatization: The bill allows states to privatize Food Stamp and Medicaid eligibility determinations. Delegating an important government function like benefit eligibility to the private sector raises public policy issues that call for debate and careful consideration—something wholly lacking in this omnibus bill.

(n) Administrative Cost Allocation: The bill grants student loan guaranty agencies an "Administrative Cost Allowance" equal to 0.85 percent of new loan volume from the mandatory loan administrative funding account. The bill also allows guaranty agencies to keep a higher portion of recoveries on "consolidated" defaulted loans. In a time when mandatory spending keeps growing and discretionary spending keeps being squeezed, we should be wary of new direct spending devices. Neither of these proposals is necessary for the solvency of guaranty agencies. They do not help balance the budget, and if done at all, they should be done in another bill.

This is an illustrative list of our objections, issues that Democrats must have resolved before this bill can be called a "Bipartisan Budget Agreement."

JUNE 25 (legislative day, JUNE 24), 1997.—Referred to the House Calendar and ordered to be printed

Mr. SOLOMON, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 174]

The Committee on Rules, having had under consideration House Resolution 174, by a record vote of 9 to 4, report the same to the House with the recommendation that the resolution be adopted.

BRIEF SUMMARY OF PROVISIONS OF RESOLUTION

The resolution provides for consideration of H.R. 2015, "the Balanced Budget Act" and waives all points of order against its consideration. The rule provides three hours of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget. The rule considers the amendment printed in the Congressional Record and numbered 1, as adopted. The rule further waives all points of order against the provisions of the bill, as amended by the rule. Finally, the rule provides one motion to recommit H.R. 2015, with or without instructions.

In addition, Section 2 of the rule provides for consideration of H.R. 2014, "The Taxpayer Relief Act", and waives all points of order against consideration of the bill and against its provisions, as amended by the rule. The rule further provides three hours of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule considers the amendment printed in the Congressional Record and numbered 2, as adopted in the House and in the Committee of the Whole. The rule provides for consideration of the bill, as amended, as an original bill for the purposes of further amendment. Furthermore, the rule provides for the consideration of an
amendment printed in the Congressional Record and numbered 1, only if offered by Representative Rangel of New York or his designee, which shall be debatable for one hour equally divided and controlled by the proponent and an opponent, and which shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole. All points of order are waived against this amendment. Finally, the rule provides one motion to recommit H.R. 2014, with or without instructions.

COMMITTEE VOTES

Pursuant to clause 2(l)(2)(B) of House rule XI the results of each rollcall vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee Rollcall No. 43
Date: June 24, 1997.
Measure: Resolution providing for consideration of H.R. 2015, the “Balanced Budget Act” and H.R. 2014, the “Taxpayer Relief Act”.
Motion by: Mr. Moakley.
Summary of motion: Make in order the Ros-Lehtinen/Meek en bloc amendment to preserve SSI and Medicaid benefits for elderly or disabled legal immigrants who were in the country on August 22, 1996, but were not getting benefits; offset by requiring the States to reimburse the Federal government for some of the costs of administering the SSI program.
Results: Defeated 5 to 8.
Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Yea; McInnis—Nay; Hastings—Nay; Myrick—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Slaughter—Yea; Solomon—Nay.

Rules Committee Rollcall No. 44
Date: June 24, 1997.
Measure: Resolution providing for consideration of H.R. 2015, the “Balanced Budget Act” and H.R. 2014, the “Taxpayer Relief Act”.
Motion by: Mr. Moakley.
Summary of motion: Make in order the Kennedy of Massachusetts amendment which alters the funding formula for child health insurance coverage to ensure that States that have enacted state laws to provide insurance for its uninsured children are not penalized.
Results: Defeated 4 to 9.
Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Hastings—Nay; Myrick—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Slaughter—Yea; Solomon—Nay.

Rules Committee Rollcall No. 45
Date: June 24, 1997.
Measure: Resolution providing for consideration of H.R. 2015, the “Balanced Budget Act” and H.R. 2014, the “Taxpayer Relief Act”.
Motion by: Mr. Frost.
Summary of motion: Make in order the Barton/Minge amendment which incorporates budget targets into law and holds the President and Congress accountable if the actual budget outcomes do not meet the budget agreement goals. The amendment further requires (1) the President to submit any necessary corrections and (2) the Congress to vote on a proposal to correct any violation of the agreement.

Results: Defeated 4 to 9.
Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Hastings—Nay; Myrick—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Slaughter—Yea; Solomon—Nay.

Rules Committee Rollcall No. 46
Date: June 24, 1997.
Measure: Resolution providing for consideration of H.R. 2015, the “Balanced Budget Act” and H.R. 2014, the “Taxpayer Relief Act”.
Motion by: Mr. Frost.
Summary of motion: Adopt an amendment to the rule striking the spectrum provision from the manager's amendment self-executed in this rule.
Results: Defeated 4 to 9.
Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Hastings—Nay; Myrick—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Slaughter—Yea; Solomon—Nay.

Rules Committee Rollcall No. 47
Date: June 24, 1997.
Measure: Resolution providing for consideration of H.R. 2015, the “Balanced Budget Act” and H.R. 2014, the “Taxpayer Relief Act”.
Motion by: Mr. Frost.
Summary of motion: Adopt amendment to the rule—self-executed strike of the Agriculture and Commerce Committee provisions that allow administrative determinations of Medicaid and food stamp eligibility to be privatized.
Results: Defeated 4 to 9.
Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Hastings—Nay; Myrick—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Slaughter—Yea; Solomon—Nay.

Rules Committee Rollcall No. 48
Date: June 24, 1997.
Measure: Resolution providing for consideration of H.R. 2015, the “Balanced Budget Act” and H.R. 2014, the “Taxpayer Relief Act”.
Motion by: Mr. Frost.
Summary of motion: Make in order the Taylor of Mississippi amendment to give guaranteed health coverage to military retirees when they become Medicare-eligible.
Results: Defeated 4 to 9.
Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Hastings—Nay; Myrick—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Slaughter—Yea; Solomon—Nay;
Myrick—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Slaughter—Yea; Solomon—Nay.

Rules Committee Rollcall No. 49

Date: June 24, 1997.

Measure: Resolution providing for consideration of H.R. 2015, the "Balanced Budget Act" and H.R. 2014, the "Taxpayer Relief Act".

Motion by: Mr. Hall.

Summary of motion: Make in order three Brown of Ohio amendments offered en bloc: reduces the number of medical savings account demonstration policies from 500,000 to 100,000, and uses that savings to cover co-payments for Medicare prevention services like mammography; continues Medicaid eligibility for disabled children who lose their SSI benefits under welfare reform; and ensures that the child health insurance provided to the states may only be used for that purpose.

Results: Defeated 4 to 9.

Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Hastings—Nay; Myrick—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Slaughter—Yea; Solomon—Nay.

Rules Committee Rollcall No. 50

Date: June 24, 1997.

Measure: Resolution providing for consideration of H.R. 2015, the "Balanced Budget Act" and H.R. 2014, the "Taxpayer Relief Act".

Motion by: Mrs. Slaughter.

Summary of motion: Make in order the Mc Dermott/Matsui amendment that strikes a provision in the bill which would permit employers to reclassify their workers as independent contractors, thereby eliminating worker protections and pension benefits.

Results: Defeated 4 to 9.

Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Hastings—Nay; Myrick—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Slaughter—Yea; Solomon—Nay.

Rules Committee Rollcall No. 51

Date: June 24, 1997.

Measure: Resolution providing for consideration of H.R. 2015, the "Balanced Budget Act" and H.R. 2014, the "Taxpayer Relief Act".

Motion by: Mr. Dreier.

Summary of motion: Order the rule reported.

Results: Adopted 9 to 4.

Vote by Members: Dreier—Yea; Goss—Yea; Linder—Yea; Pryce—Yea; Diaz-Balart—Yea; McInnis—Yea; Hastings—Yea; Myrick—Yea; Moakley—Nay; Frost—Nay; Hall—Nay; Slaughter—Nay; Solomon—Yea.

SUMMARY OF AMENDMENT CONSIDERED AS ADOPTED BY THE RULE TO H.R. 2015—THE BALANCED BUDGET ACT

This manager's amendment consists of changes from reconciliation legislation reported to the Committee on the Budget that will be self-executed in the rule on reconciliation at the request of the
Chairman of the Committee on the Budget. The manager’s amendment makes the following changes from the reported legislation:

**Low-Income Medicare Premium Protections.** Provides an additional $1 billion for low-income Medicare premium protections, bringing the total to $1.5 billion over 5 years. The provision covers the full Medicare Part B premium for seniors with incomes up to 135 percent of poverty. For seniors with incomes between 135 percent and 175 percent of poverty, the assistance covers that portion of the Medicare Part B premium increase attributable to the home health spending transfer.

**Minimum Wage/Welfare-to-Work Participant Protections.** Contains the following changes from the reported legislation:

- Limits to no more than 40 hours per week the number of hours participants in public sector or nonprofit workfare activities can be required to work.
- Counts only Temporary Assistance for Needy Families (TANF) and food stamp benefits as compensation under the minimum wage for workfare participants.
- Adopts the AFDC JOBS criteria for defining work experience and community service jobs when States use workfare in the public or nonprofit sector to meet State work participation requirements, and uses the same criteria for determining whether participants are “employees” under the terms of the Fair Labor Standards Act.
- Adopts worker protection and nondiscrimination provisions (preventing discrimination based on age, race, gender, and disability), but provides for an independent nonfederal grievance resolution procedure.
- Incorporates worker displacement language, which applies to all workfare participants and which does not preempt stronger State displacement laws.

**Food Stamp Work Slots.** Eliminates “job search” as a qualified activity for additional food stamp work slot funds, and raises to 80 percent (from 75 percent) the earmarked funds for people between 18 and 50 years old who may lose food stamp benefits due to new work requirements.

**Medicaid.** Drops language in Medicaid section that allows only physicians to decide appropriate hospital stays. This language was added to bring the Committee on Commerce closer to compliance with its reconciliation directives.

**Children’s Health Care.** Modifies the children’s health care block grant to ensure that it complies with the Bipartisan Budget Agreement’s proposed spending $16 billion over the next 5 years.

**Medicaid Coverage for SSI Children.** Provides $100 million to allow States the option of maintaining Medicaid benefits for children currently on the Medicaid rolls who would otherwise lose Medicaid eligibility because of stricter SSI eligibility standards.

**Spectrum Auctions.** Increases from $9.7 billion to $20.3 billion over 5 years the receipts due to spectrum auctions. Drops or relaxes numerous conditions specified in the Commerce Committee’s reported legislation that restricted the Federal Communication Commission’s ability to auction spectrum. Also specifies additional spectrum to be made available for auction.

**Welfare to Work.** Requires that all of $3 billion in welfare-to-work funds be obligated by fiscal year 1999.
Multiple Employer Welfare Arrangements. Modifies language on Multiple Employer Welfare Arrangements to overcome jurisdictional issue between the Committees on Education and the Workforce and Ways and Means.

Veterans' Medical Care. Allow veterans hospitals to retain, subject to appropriations, medical care cost recovery receipts, so that veterans' medical care remains a discretionary program.

Budget Enforcement. Budget process changes that are consistent with the Bipartisan Budget Agreement (see attached summary).

SUMMARY OF BUDGET ENFORCEMENT CHANGES

Congressional Budget & Impoundment Control Act of 1974

Permanently extends the requirement that budget resolutions cover a five-year period.

Similarly, extends indefinitely the enforcement of the five-year spending and revenue levels set forth in budget resolutions through points of order.

Simplifies and updates points of order that are used to enforce the budget resolution's spending and revenue levels.

Provides for adjustments in the budget resolution levels for legislation appropriating funds for designated emergencies, arrearages and the International Monetary Fund.

Eliminates the need to waive the Budget Act for a reported bill that violates the Act but is cured by a self-executing rule. In such cases, the point of order no longer lies against the bill.

Amendments to the Balanced Budget and Emergency Deficit Control Act of 1985

Adjusts and extends statutory discretionary spending limits, which are enforced through sequestration, through fiscal year 2002.

Provides for adjustments in the discretionary spending limits for appropriations for emergencies, arrearages, and the International Monetary Fund.

Extends pay-as-you-go requirements, which provide that entitlement and tax legislation must be fully offset, through fiscal year 2002.

Modifies baseline that is used to "score" legislation so that committees get credit for eliminating entitlement programs.

Eliminates accrued paygo balance and savings from reconciliation to ensure that all savings are used for deficit reduction.

SUMMARY OF AMENDMENT CONSIDERED AS ADOPTED BY THE RULE TO H.R. 2014—THE TAXPAYER RELIEF ACT

I. Modifications to the child tax credit

The amendment would provide that in the case of lower- and middle-income taxpayers, the otherwise allowable child tax credit is not reduced by one-half of the otherwise allowable dependent care credit. Under the amendment, the reduction only applies to taxpayers above certain thresholds of modified adjusted gross income ("modified AGI"). For married taxpayers filing joint returns, the threshold is $60,000. For taxpayers filing single or head of household returns, the threshold is $33,000. For married taxpayers filing separate returns, the threshold is $30,000. The reduction is
phased in over the first $10,000 ($5,000, in the case of single individuals and $5,000, in the case of married individuals filing separate returns) of modified AGI above the threshold. The rules for determining a taxpayer's modified AGI and marital status under the bill remained unchanged. The effective date would be years beginning on or after January 1, 2000.

The amendment would provide that the Secretary of the Treasury shall submit notice to all taxpayers of the passage of the child tax credit. In addition, the amendment would direct the Secretary of the Treasury to modify withholding tables for single taxpayers claiming more than one exemption and for married taxpayers claiming more than two exemptions to take account of the effects of the child tax credit. The adjustments to the withholding tables would apply to employees whose annualized wages from an employer are expected to be at least $30,000, but not more than $100,000.

2. Estimated tax safe harbor

The amendment would change the 110-percent-of-last-year's-liability estimated tax safe harbor to a 105-percent-of-last-year's-liability safe harbor for 1998.

3. Repeal alternative minimum tax depreciation adjustment

The amendment would direct the Secretary of the Treasury to conduct a study of whether the repeal of the depreciation adjustment for minimum tax purposes would have the result of permitting any corporation with taxable income from current year operations to pay no Federal income tax and, if so, the policy implications of that result. The study would be due no later than January 1, 2001, to the House Committee on Ways and Means and the Senate Committee on Finance.

4. Airport and Airway Trust Fund excise taxes

The amendment would provide that the deposit rules with respect to the commercial air passenger excise taxes are modified to permit payment of these taxes that otherwise would have been required to be deposited during the period July 1, 1998, through September 30, 1998, to be deposited on October 13, 1998.

5. Modification to tax benefits for ethanol and renewable source methanol

The amendment would delete those provisions in the bill relating to a reduction in tax benefits for ethanol and renewable source methanol.

6. Name of the act

The amendment would change the name of the Act from the “Revenue Reconciliation Act of 1977” to the “Taxpayer Relief Act of 1997”.

7. Change in budgetary treatment of certain expiring provisions

The amendment would amend the Balanced Budget and Emergency Deficit Control Act of 1985 to provide that any preferential rate (or any credit or refund) that is scheduled to expire and that,
under current scorekeeping conventions, is presumed to be extended for purposes of determining the present-law revenue baseline shall, for budget scorekeeping purposes, be assumed to expire on the scheduled expiration date.
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WAYS AND MEANS. After general debate the bill shall be considered for amendment under the five-minute rule. The amendment agreed to in the Congressional Record and numbered 2 pursuant to clause 6 of rule XXIII shall be considered as adopted in the House and the Committee of the Whole. The bill, as amended, shall be considered as the original bill for the purpose of further amendment and shall be considered as read. No other amendment shall be in order except the further amendment printed in the Congressional Record and numbered 1 pursuant to clause 6 of rule XXIII, which may be offered only by Representative Rangel of New York or his designee, shall be considered as read, shall be debatable for one hour equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against that amendment are waived. At the conclusion of consideration of the bill as amended, for amendment the Committee shall rise and report the bill, as amended, to the House with such further amendment as may have been adopted. The previous question shall be considered as ordered on the bill, as amended, and any further amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. COMBEST). The gentleman from New York [Mr. SOLOMON] is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for the purposes of debate Mr. Rangel yields 1 minute to the gentleman from Massachusetts [Mr. MOAKLEY], pending which I yield myself such time as I may consume. During consideration of the resolution, all time yielded is for the purposes of debate only.

[Mr. SOLOMON asked and was given permission to revise and extend his remarks and to include extraneous material.]

Mr. SOLOMON. Mr. Speaker, House Resolution 174 is the customary structural rule for the Committee of the Whole. The rule provides for the consideration of reconciliation legislation in two parts, which reflects the bipartisan budget agreement reached between Congress and the White House on May 2, 1997. Mr. Speaker, this rule first waives all points of order against the consideration of the legislation, the Balanced Budget Act. The rule provides 3 hours of debate on the reconciliation bill, equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget; and (2) one motion to recommit with or without instructions.

SEC. 2. At any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2015) to provide for reconciliation pursuant to subsections (b)(i) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998. The bill shall be considered as read for amendment. The amendment printed in the Congressional Record and numbered 1 pursuant to clause 6 of rule XXIII shall be considered as adopted. All points of order against provisions in the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) three hours of debate equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget; and (2) one motion to recommit with or without instructions.

In addition, section 2 of the rule provides for consideration of the second part of this reconciliation product, the Taxpayer Relief Act. The rule waives all points of order against consideration of this bill and all provisions as amended by this rule. The rule further provides another 3 hours of general debate on this tax cutting measure, equally divided and controlled by the chairman and the ranking member of the Committee on Ways and Means. The rule also considers the amendment printed in the CONGRESSIONAL RECORD and numbered 2 as adopted in the House and in the Committee of the Whole. This amendment, drafted by the gentleman from Texas [Mr. ARCHER], reflects further negotiations between the various interested parties involved in the implementation of the tax portion of this bipartisan agreement with the White House.

Furthermore, the rule provides for the consideration of a substitute amendment printed in the CONGRESSIONAL RECORD and numbered 1 only if offered by the gentleman from New York [Mr. RANGEL].

Mr. Speaker, this amendment is debatable for 1 hour equally divided and controlled by the proponent and an opponent, and is not subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole and all points of order are waived against the amendment. This amendment, offered by the gentleman from New York [Mr. RANGEL], the ranking Democrat on the Committee on Ways and Means, represents the minority substitute to the tax bill.

Finally, the rule provides for one motion to recommit, with or without instructions.

Mr. Speaker, after hearing testimony under the Committee on Rules yesterday for more than 5 hours and from more than 40 witnesses, the Committee on Rules has produced a rule that is very similar to that used on reconciliation bills going all the way back to the 96th Congress, over two decades. Furthermore, after consultation with the minority and our committee, we actually extended the total debate time on the two bills from 5 hours to 7
hours. We have made every effort to make this a bipartisan rule to consider this bipartisan balanced budget agreement. I would urge all my colleagues to support it.

Mr. Speaker, as to the contents of these bills, I can sum up their significance in two short statements:

First, the first balanced budget in 30 years. Second, the first major tax cut in 18 years.

While these two bills before us contain a variety of provisions, I want to focus on one in particular. In introducing his tax cut plan to the American people back in 1982, then President John F. Kennedy stated:

Prosperity is the real way to balance the budget. By lowering taxes, by increasing jobs and incomes, we can expand tax revenues and finally bring our budget into balance.

President Kennedy was right then and the bill before us today represents those truths.

Mr. Speaker, over the past two decades, this Congress has held this same debate over and over and over again. How can we reduce the tax burden, reduce the deficit and balance the budget at the same time? Today's budget agreement is quite a different approach than has been tried in previous budget agreements. For instance, in 1980, Congress and the President, and at that time the President was George Bush, negotiated a bipartisan budget agreement in an effort to reduce the deficit only to result in a $100 billion tax increase and an unbalanced budget. That is what happened under a Republican President and a Democrat Congress back in 1990.

Three years later, in 1993, the President, that is Bill Clinton, and congressional Democrats, who were in control of this place at that time, gathered together and negotiated another budget deal to reduce the deficit. This time the result was a $200 billion tax increase, the largest tax increase in the history of this Nation, and still no balanced budget.

A year later, in 1994, the American people called on their government to try a new approach, to take a new look at an old approach used in previous decades under Presidents such as John F. Kennedy and Ronald Reagan. At the very beginning of the 104th Congress, the new Republican majority, in full agreement with President John F. Kennedy’s assertion back in 1962, sought to provide the American family with meaningful tax cuts and a balanced budget. We are all very familiar with the extensive debates over tax relief in the past Congress. Despite all the talk, the American family still remains overtaxed and overburdened by its Government. That is this Government that we stand in here today.

Some of my colleagues may chuckle a little over this statement, exclaiming there goes JERRY SOLOMON again with his Reaganomics outlook on the world, but it is a fact that in the past 16 years, this Congress has raised our Nation’s taxes over 5 times and by hundreds of billions of dollars. We have not cut taxes, we have raised taxes right here in this body. As a result, it is no exaggeration for me to say that the American family pays a much higher percentage of its hard-earned income in taxes right now today than at any time in recent history.

Today we have before us a budget bill that represents the first major tax cut in 16 years. Mr. Speaker, it is major. While we have had much larger tax relief packages before this House over the past few years, the probability that this tax relief bill will receive bipartisan support and be signed into law is much, much higher than those previously before us and that should be recognized here today. This is going to become law.

Furthermore, contrary to what we are going to hear from the other side today, from some Members of the other side because many Members on the Democratic side are going to support this measure, the majority of this tax relief, 72 percent of it, will go to middle-income wage-earning families making between $20,000 and $70,000. This will better enable all of America’s families to care for their children and their communities and represents a good first step in rolling back the high level of the Government’s financial interference in the lives of these hard-working families.

Finally, Mr. Speaker, it should be noted that these two bills before us today actually carry changes in the underlying laws that deliver the tax cuts and the spending cuts. This is very, very important, especially to some of the younger Members because in years past we have adopted budgets that put us on a glide path to a balanced budget, but when it came to making the hard votes, we did not do it and when the budget deficits continued. It is easy to vote for legislation that actually calls for these cuts to be done as we did in the budget agreement, and everybody sent out their press releases on it. It is quite something different to actually vote for these cuts. I urge all of the Members here today to support these bills and then follow through on the 13 appropriation bills that will follow, because that is where it is going to count.

Members have my pledge that I am going to vote for every one of these cuts represented in this agreement with the Republicans and Democrats in this House, with the Senate, and with the President. These are the kind of bills that actually make a difference. I applaud all of my colleagues on both sides of the aisle.

Mr. Speaker, I include the following extraneous material for the RECORD:
Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I thank the gentleman from New York [Mr. SOLOMON], the chairman of the Committee on Rules, for yielding me the customary half-hour, and I yield myself such time as I may consume.

Mr. Speaker, the reconciliation bills we are considering this week show very clearly the difference between Democrats and Republicans. To put it simply, on one hand, my Republican colleagues want to help people who make enormous amounts of money and inherit more money on top of that. On the other hand, Mr. Speaker, my Democratic colleagues and I want to help middle-class working families and small business owners.

When these bills come up for votes, we can take our pick. I think the choice is obvious. More than half the tax cuts in the Republican tax bill are for people making over $250,000 a year. Three-quarters of the tax cuts in the Democratic alternative are for people making $250,000 a year or less.

The Republican bill helps only richer families send their kids to college. The Democratic alternative gives a full $1,500 tax credit for college students. The Republican tax bill takes the $300 million away from low-income working families. The Democratic alternative makes sure that every low- and middle-income working family gets the $500 per child tax credit.

The Republican tax bill, Mr. Speaker, gives huge tax breaks to rich people who sell stocks and bonds. The Democratic alternative gives tax breaks to the middle-class people who sell homes, who sell their farms or small businesses.

The Republican bill also marks a serious departure from the budget agreement. My Republican colleagues did not keep their word to provide the educational tax credits they promised or to preserve the benefits of legal immigration that they also promised. The Republican reconciliation bill hands the richest 1 percent an additional $27,000 each, while it takes $63 away from each family in the bottom 20 percent.

Mr. Speaker, the Republican bill will mean serious trouble to our teaching hospitals. The Boston teaching hospitals alone will lose more than $700 million over a 5-year budget period.

Mr. Speaker, I do not think any of our teaching hospitals can survive this kind of cut. They have already made huge changes, drastic changes, undergone complicated mergers and cut costs to save money, but the fact remains that last year Boston Medical Center saw 58,000 patients for nothing. 58,000 patients for free. Yet today my Republican colleagues are asking hospitals to make do with even less, and it is the same for teaching hospitals all over the country.

Mr. Speaker, the United States is lucky to have the best hospitals, the best medical care in the entire world. Take it from me, personally, I know this.

Mr. Speaker, I believe we should be doing all we can to keep American health care not only the best in the world but affordable to everyone. This bill does not do that.

In the Committee on Rules last night, my Republican colleagues rejected an amendment offered by the gentleman from Massachusetts [Mr. KENNEDY] to change the funding for children's health insurance so the States with children's health care laws already on the books like Massachusetts, like New York, like Florida are not penalized.

Mr. Speaker, I urge my colleagues to join me in defeating the previous question to make in order 22 amendments that were rejected in the Committee on Rules last night, including the Barton-Minge amendment on enforcing the budget agreement and the Taylor amendment to let veterans keep their veterans health care regardless of how old they are. I want to add, Mr. Speaker, that this critical issue has been cosponsored by nine of my colleagues on the Committee on Rules.

I urge my colleagues to defeat the previous question.

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume, briefly to just repeat my favorite hero's line, "Well, here we go again," talking about the rich.

In the Hudson Valley where I live, it is about 200 miles long and 50 miles wide and has the Catskill Mountains on one end and the Adirondack Mountains on the other and a valley in between, there are very few rich people there. They are all hard-working people. They have worked all their lives. They have saved a little bit even under hard times.

Let me just give my colleagues one example, a couple I know that worked for Sears Roebuck. They worked for Sears Roebuck, both of them together, for 38 years. Sears Roebuck does not pay the highest salaries but they have a pretty good little pension plan and have a great stock option plan for people that work for them. For these 38 years, this couple has been taking advantage of those options, living with a wage scale much lower than their peers, but they managed to save the $60,000 a year, they if they wish they could have had it now for 35, 40 years. Do my colleagues know what that stock is worth today?

It is a nest egg that they can now retire on. They, if they want to, move out of the cold north country where I live, and they can move to Florida, and they can buy themselves a little home, and they can live pretty decently for the rest of their lives.

Now my good friend the gentleman from Massachusetts [Mr. MOAKLEY] thinks those people are rich because they are going to take advantage of the capital gains tax cut. Well, I do not think that is rich. Those people have incomes of way under $70,000 combined, and they are going to be able to take advantage of this capital gains tax cut.

I also represent in that valley hundreds and hundreds of farmers, most of them are dairy farmers: and those people over the years have gotten up at 4 o'clock in the morning when it was 30 below zero.

I did a piece on public television last year in which we brought public television up there, and they saw how these people out there at 5 o'clock in the morning milking these cows when it was 31 below zero. And, as my colleagues know, those people have paid the taxes on that farm, on those several hundred acres of land, and sure they are land rich, but they are cash poor. And now, if they pass away and their sons or daughters have worked on that same farm for all the time they were growing up, when they were 4, 5, 6, 7, 8 years old up to maybe 20 or 25, and now when they die the Federal Government is going to take that land that they paid to pay the estate tax.

Mr. Speaker, that just is not right. As my colleagues know, they paid taxes on that land and paid the income taxes all those years, and now they are going to be penalized and they cannot keep that farm in the family. It is happening all over Texas, it is happening all over America, but especially up north. Those people live where it is doggone tough to make a living especially in the winter time.

So let us have enough of this rich talk, and let us get on to giving meaning tax cuts to all of the American people. That is what America is all about.

Mr. Speaker, having said that, I yield such time as he may consume to the gentleman from Florida [Mr. Goss] one of those northerners that moved to Florida many years ago. He is the chairman of the Permanent Select Committee on Intelligence, but he is also a very valuable member of the Committee on Rules. And I yield to him to get some of his sage advice.

Mr. GOSS. Mr. Speaker, I yield an address given permission to revise and extend his remarks.
Mr. GOSS. Mr. Speaker, I thank the distinguished gentleman from New York [Mr. SOLOMON] for yielding the floor to me. I obviously rise in strong support of this fair and I think very appropriate rule for what we are about, which permits consideration of 2 important measures, the Balanced Budget Act and the Taxpayer Relief Act, in fact probably one of the most important things we will do in this session of Congress.

Today, we take another major step toward the first balanced budget in over a generation, as the gentleman from New York [Mr. SOLOMON] said, and the first actual relief for American taxpayers in almost a generation. Despite this indisputable progress, we continue to hear this same tired rhetoric, we have already heard it, this class warfare from the defenders of the status quo. As usual they claim they have a study or they will get one that proves that the majority of the tax cuts are going to go to the, quote, rich. Of course, they define rich to suit their own purpose.

Mr. Speaker, if someone earns $40,000 a year, the big Government crowd is going to consider them rich, and this is how they are going to do it: artificially inflate their income through the addition of their future pension as well as the potential rental value of their home. I am sure this is going to be news to thousands of new-found rich people in my district, and I imagine they are going to be a little shocked by it, as the rest of America will be as they discover they have been elevated to rich.

Mr. Speaker, actually the definition of rich is, "If you're not on welfare, you're rich." Given these partisan distortions it is important for us to let the American people know that what we are doing today is important work and it is going to affect them, and it is going to affect them positively.

We are taking the necessary steps to save the Medicare Program, and it is facing impending bankruptcy. But instead of resorting to the tax increases and the draconian provider gotchas that we have talked about in the past, we achieve our savings through patient choice. Americans want choice in their medical care, and we are not long on choice, and we are using free market competition, and we believe Americans will have better access, better choice, better medical service in the end, and we think we will end up with a stronger Medicare program as a result.

Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I voted for the balanced budget resolution, and I know that both Democrats and Republicans in this House believe strongly in a balanced budget. But this proposal the Republicans have put forward today is a tax cut for the tax cut class, middle-class, people; it is not fair to seniors, and it is not fair to children, and I want to tell my colleagues why.

These tax cuts that the Republicans have proposed, they are for the wealthy, wealthy individuals and corporations. They are not helping the working middle class person. The person who needs that child tax credit in many cases is not going to get it even though they are working, sometimes two parents working. The person who needs that college credit, either a tuition tax deduction or a hope scholarship program, that money is not going to be fulfilled. What the President promised is not in this. The Republicans have broken the deal, and they are not giving middle-class and working-class people that college tuition break that they were expecting as part of this deal. And Medicare, Medicare for seniors, we were promised this was going to be solvent and we were going to work toward the solvency. They have put in, the Republicans, provisions that will break the Medicare Program.

Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. MOAKLEY].

Mr. MOAKLEY. Mr. Speaker, I have 12 minutes remaining, and the gentleman from Massachusetts [Mr. MOAKLEY] has 24 remaining.

Mr. SOLOMON. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, the gentleman from New York, Mr. SOLOMON, his speech was so soothing and charming. I did not realize he used all that time.

Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER. Mr. Speaker, I was given permission to revise and extend his remarks.

Mr. Speaker, today is the day when we begin the process where we rearrange the priorities of this Nation, where we rearrange the priorities of this Nation that for many years has taken care of the senior citizens of this country by providing them Medicare healthcare coverage for their elderly years, where we rearrange the priorities of this Nation where we have tried to make sure that children had coverage of health care, where we have tried to provide families the means by which they could pay for the college education of their children.

What we see now in the budget plan that we will debate this afternoon and in the tax bill that we will debate tomorrow is that all of those goals, all of those ideals of this Nation, are threatened because we have to have a tax bill that gives $27,000 in relief to people making more than $250,000 a year. Twenty-seven thousand dollars in tax relief, which is more than many families make all year long, must go to the wealthiest 1 percent in this country, and how do we pay for it? We pay for it by renegeting on the promise to provide health care coverage for children. In the Senate they now talk about making 8 million elderly people who are between the ages of 65 and 67 wait 2 more years before they would have Medicare coverage by increasing the cost of the Medicare to those individuals.
As my colleagues know, the interesting thing is that after the vote we took in 1993 where no Republicans voted for President Clinton’s plan, we have dramatically reduced the deficit. The deficit is on its way to a balanced budget. If we did nothing, the budget would be balanced. We would have to take from the problems in Medicare and Medicaid.

But the Republicans have chosen another path. They have chosen the path to try to again return to the days where corporations that make millions of dollars in profit every year, as they did last year, can pay no taxes. They have to return to the days where people who can clip coupons pay a 20 percent tax rate while hard-working Americans pay a 28 percent tax rate. It is not fair, it is not equitable, and it is not right.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker. I thank the gentleman for yielding.

Mr. Speaker. The Federal budget should be a statement of our national values. How we spend the public’s money should reflect what is important to us in our country, and surely we all agree that the health and well-being of our people should be a national priority. Indeed the American people continue to believe that access to quality health care should be a national priority.

Unfortunately, the reconciliation bill does not expand access to health insurance. Indeed, this bill makes access to health care more difficult. Why are we moving toward covering fewer people than more people?

Under this bill and actions taken by the Senate, an American baby born today would not have access to quality health care until she is 67 years old. The bill before us today does not expand access to health insurance until she is 67 years old. The bill before us today does not provide health care insurance to 5 billion of the 10 billion uninsured children in the United States. The way the Republican leadership has structured the bill, that is paid, and they do not provide for uninsured children. Indeed, the Republican bill violates the goals of the Affordable Care Act.

We have a piece of legislation, H.R. 1215, that is paid, and it is not the answer for people moving from welfare to work.

We ask the Committee on Rules to grant us the opportunity to cure these, they turned us down. We should turn them down this budget resolution.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I am somewhat confused. If my colleagues read this morning paper or if they talk to those that attended a Democratic caucus, it is quite clear that the administration attended that Democratic caucus and is urging them to support this reconciliation bill that is before us today, that most of the problems that they had with, especially the OMB Director, Mr. Raines, had been worked out, there were some glitches, but they could be solved in conference.

So I am really surprised to hear some of the statements being brought up here today.

Mr. BARTON of Texas. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Texas.

Mr. BARTON of Texas. Mr. Speaker, I thank the gentleman from New York [Mr. SOLOMON], chairman of the Committee on Rules, for yielding.

I think the chairman understands that a number of us, on a bipartisan basis for several years, have been trying to do something to put some enforcement mechanism into the existing Budget Acts that govern our Nation.

We have a piece of legislation, H.R. 2003, the bipartisan Budget Enforcement Act, that is pending before the Committee on Rules, the Committee on Ways and Means, and the Committee on the Budget. There have been a series of meetings and discussions this morning.

It is my understanding that as chairman of the Committee on Rules, the gentleman from Florida [Mr. LEVIN] and the gentleman from New York [Mr. SOLOMON] has agreed to an expedited procedure whereas this piece of legislation, perhaps as amended, will be brought to the floor for an up or down vote no later than July 24.

Is that the understanding of the chairman of the Committee on Rules?

Mr. SOLOMON. Mr. Speaker, reclaiming my time, yes, it is my understanding, and that is an ad hoc agreement, which, after meeting with the gentleman from Texas [Mr. BARTON] and members of the gentleman’s group, along with Members of the Republican leadership, we have approached the three committees of jurisdiction, the Committee on Rules, the Committee on Ways and Means, and the Committee on the Budget, would have an opportunity to look at the legislation.

Mr. BARTON of Texas. Mr. Speaker, the gentleman is H.R. 2003, the bipartisan Budget Enforcement Act. The gentleman from Texas [Mr. STENHOLM] and the gentleman from Minnesota [Mr. MINGE] and the gentleman from Indiana [Mr. VISGYOS] and several others.

Mr. SOLOMON. Mr. Speaker, certainly the Committee on the Budget has agreed, and so has the Committee on Rules. Now the gentleman understands that the gentleman from Texas [Mr. ARCHER], who has jurisdiction as well, will agree as long as he has time to consider in his committee.

I am not sure of an understanding, that the agreement in no way prejudices the ability of the Committee on Rules and the Committee on the Budget who share jurisdiction over budget process to report a budget process reform bill on their own at a later time.

Mr. BARTON of Texas. Mr. Speaker, that is my understanding. This does not fence off any other legislation on the same subject, but it does commit the chairman of the Committee on Rules, the Speaker of the House, the majority leader, the majority whip, and the chairmen of the committees of jurisdiction to work in an expedient fashion to bring this particular bill, perhaps as amended, to the floor, and perhaps at the same time other bills that deal with the same subject.

Mr. SOLOMON. Mr. Speaker, I think we are in full agreement. Let me just say to the gentleman I appreciate his understanding.

As the gentleman knows, on the Republican side there were some 31 Members that had concerns with both the tax bill and the spending cut bill. We had asked them not to come before us and ask for changes to be made because it would disrupt the agreement that we might have with the White House, and there were a number of Democrats on
Mr. CASTLE. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. Mr. Speaker, I yield to the gentleman from Delaware.

Mr. CASTLE. Mr. Speaker, I would just like to say that the leadership of the Republican Party in total was involved in this. I think that is very important to understand. They were very accommodating.

I believe we have agreed that if this were able to be passed on the floor of the House of Representatives, and by the way, there is no commitment to actually support this bill from any of the leadership, but if it did pass, it would become part of the House conference package dealing with the reconciliation bill with the Senate which I think is important as well.

Mr. WAMP. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Tennessee.

Mr. WAMP. Mr. Speaker, I commend all that have been involved in a very bipartisan way, and just for the people whom I think we so adequately represent here in this body across the country that are wondering maybe what this is all about, this is a group of a few Members on both sides of the aisle that have gotten together and said that the discipline needs to be integrated into this budget agreement. There is a panacea out there that this is a great thing, and I think it has the potential of being a great thing if we can work this through it, and if we do. If we do not allow certain predictions that are part of our assessment today that might not come true to blow the thing apart later on. That is what this is about, enforcement provisions.

Frankly, neither party has an exclusive on ideas or integrity, and much of this comes from the Blue Dog Coalition on the other side and very accurately, they have assessed that we need some discipline written into this agreement, and many on our side, led by the gentleman from Texas [Mr. BARTON] and the gentleman from Delaware [Mr. CASTLE] and myself, have agreed to this, and now our leadership is accommodating our request that we have an opportunity to bring to this floor the details of how we need to enforce this provision as we go forward.
We have been told repeatedly that enforcement mechanisms should be addressed. We have been told by the Committee on the Budget, enforcement should be addressed. We have been told by the Committee on Rules, enforcement should be addressed. It has not been addressed in this rule.

Mr. Speaker, I rise today in strong opposition to the rule because it does not make in order an important bipartisan enforcement amendment proposed by our colleagues, Mr. BARTON and Mr. MINGE.

The Barton-Minge amendment takes a common-sense approach to enforcing the budget reconciliation bill. It acknowledges that our best hope of actually balancing the budget is to put every section of the budget on the table—including entitlements and revenues—and that we must hold the President and the Congress accountable if we do not live up to the budget targets agreed to earlier this month.

While I voted for the budget resolution earlier this month, I did so with serious reservations. One of my most serious concerns is the lack of meaningful enforcement procedures to ensure that the budget is balanced as projected by the year 2002.

The lesson of previous budget resolutions is that agreeing to balance the budget does not guarantee that the budget will actually be balanced. No fewer than four times over the past 15 years Congress has approved budget agreements that were supposed to get us to a balanced budget, but failed to actually do so.

For example, in 1982, the budget resolution called for a balanced budget in 1984. Yet, the budget was not balanced by that date. In 1985, under Gramm-Rudman I, we were told that the budget would be balanced in 1991. It was not.

In 1987, under Gramm-Rudman II, we were told that the budget would be balanced in 1993, but it was not. In 1990, under the Budget Enforcement Act, we were told that, finally, the budget would be balanced in 1994. Again, it was not.

The common thread in these failed attempts to balance the budget was the lack of a meaningful enforcement mechanism.

I would also like to point out that enforcement is not a new or transitory issue. In the last two Congresses I sponsored important legislation designed to bring strong enforcement procedures to the budget process. This legislation, the Balanced Budget Enforcement Act, was originally introduced by then-chairman of the Budget Committee Leon Panetta and after that, our former colleague from Minnesota, Tim Penny.

I have expressed before both the Rules Committee and the Budget Committee asking that comprehensive enforcement mechanisms be included in the budget process. So far, however, no action has been taken by either committee.

Mr. Speaker, I rise up to consideration of the budget reconciliation bill, we were told that enforcement would be addressed as part of the legislation. Unfortunately, however, the Rules Committee did not make the Barton-Minge enforcement amendment in order, and we again find ourselves with a major budget bill that contains no serious enforcement language.

Mr. Speaker, I am extremely disappointed that this rule does not make language on enforcement in order, and I urge my colleagues to oppose it.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, for those of us who are truly committed to achieving a balanced budget that will remain balanced, this first effort to implement the balanced budget agreement represents a true setback. They call this bill that we have under consideration today the reconciliation bill. Really, it is the wreckonciliation bill. It is a bill that wrecked the agreement, and the first area in which it wrecks the budget agreement is by not having an adequate enforcement provision.

Mr. Speaker, there is nothing new about promising a balanced budget in Washington. It is the guarantee of a balanced budget that has some meaning, and around here a promise never seems to be a guarantee. We do not need more promises of a balanced budget, we need a guarantee, and we need it in this proposal. Rather than wrecking the budget agreement, we ought to be guaranteeing a truly balanced budget.

What does this reconciliation bill say to the young American family that is out there struggling to make ends meet? Well, if we listen to the Republicans here in Washington, it says to the American family, when you reach age 65, do not count on having any health protection because your Medicare coverage will not be there. We are going to escalate the age to 67 before you ever get Medicare coverage.

What does it say to the children of that working American family, not people on welfare, but where perhaps both parents are struggling to climb up that economic ladder? It says no health insurance.

Surely this must be the only modern industrialized country in the world where we have 10 million children who have no health insurance, and no hope from this reconciliation bill that it is going to get any better, from zero to age 67. No guarantee, is the goal of this Republican Congress for health insurance coverage.

It is time not to wreck the budget agreement, deny enforcement provisions, and deny the guarantee of health insurance that so many people need in their youngest age and in the oldest age. Vote “no” on this rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Speaker, I rise in strong opposition to this rule, because here we go again. Passage of a reconciliation bill that is projected to balance the budget by the year 2002 does not guarantee the budget will actually be balanced. Americans are tired of Congress and the President making unfulfilled promises about balancing our budget.

Mr. Speaker, I appreciate the work the gentleman from Texas [Mr. BARTON], the gentleman from Delaware [Mr. CASTLE], and the gentleman from Tennessee [Mr. WAMP] have done, but I am a great believer that a bird in the hand is worth two in the bush. Today is the time for us to deal with enforcement. I was sincerely disappointed that the Committee on Rules chose to report a rule that would not allow the House to consider the Barton-Minge balanced budget agreement.

The only request of the Committee on Rules is that we be given a fair shot to offer our proposal for an up or down vote. Members from the left and right oppose our amendment. Why not let it be considered at the appropriate time, when we have the best chance of getting it done?

Whether Members support the balanced budget agreement and the reconciliation bill, which I do, I strongly encourage all Members who are committed to achieving a balanced budget to support our amendment. If we do not deal with the matter today, it will not be dealt with.

Mr. Speaker, I rise in strong opposition to this rule, I do so as one who supports the bipartisan budget agreement because this rule prevents consideration of an amendment that would ensure that this budget agreement lives up to all the promises being made by those of us who support the agreement. Joe Barton and David Minge submitted an amendment on behalf of a bipartisan group of more than two dozen members who believe that this budget agreement must include enforcement procedures to make this a credible balanced budget plan. Unfortunately, this rule does not make the Barton-Minge amendment in order.

While passage of a reconciliation bill that is projected to achieve balance by 2002 is a significant accomplishment, I would remind my colleagues that history has taught us that passage of a reconciliation bill that is projected to balance the budget by 2002 does not guarantee that the budget will actually be balanced in 2002. It would only look at the spending of the 1990 budget surplus to see how quickly a balanced budget plan can fall off course. Americans are tired of unfulfilled promises about balancing our budget. The Barton-Minge amendment will prevent this budget from repeating the failed promises of past balanced budget plans by putting teeth in the budget agreement.

The Barton-Minge enforcement amendment would establish a comprehensive enforcement mechanism that would require Congress and the President to ensure that actual spending and revenues—without exceptions to ensure that the goals of the budget agreement. It would enforce all portions of the budget—spending and revenues—without exceptions to ensure that everyone has a stake in keeping the budget on a path to balance. Critics who complain about the harmful effect of this legislation or delaying the phase-in of tax cuts are missing the point. The goal of any enforcement mechanism is to establish a hammer with severe consequences to give Congress and the President the incentive to take action whenever the budget falls off the glidepath to balance to avoid triggering enforcement.
The Barton-Minge amendment has bipartisan support because enforcement would be targeted to the portion of the budget that causes a problem. Spending programs that grow faster than this budget assumes would be sequestered; the phase-in of tax cuts would be delayed if revenues are lower than assumed under this budget. Tax cuts will not be affected because spending grows too fast; any trimming will not be cut if taxes are below projections.

I was sincerely disappointed that the Rules Committee chose to report a rule that would not allow the House to consider the Barton-Minge balanced budget enforcement amendment. Our only request was that we be given a fair shot to offer our amendment for an up or down vote. I understand that many committee chairman oppose this effort to enforce the budget agreement and that Members from the left and right have concerns that our amendment is too strong and would vote against it. I welcome the opportunity to respond to these criticisms and debate the issue on the merits. Unfortunately, this rule prevents us from having that debate.

Whether or not you support the budget agreement and the reconciliation bill that the House will consider today, I strongly encourage all Members who are committed to actually achieving a balanced budget to vote against this rule so that the House may consider legislation that makes this balanced budget plan meaningful.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee [Mr. TANNER].

Mr. TANNER. Mr. Speaker, I want to second what the gentleman from Texas [Mr. STENHOLM] and the gentleman from Indiana [Mr. VISCLOSKY] said. I am not interested in being a party to a balanced budget agreement that does not translate itself from an idea to a reality.

There have been well-intentioned people in this town since 1980 who have tried mightily to balance the budget. This enforcement mechanism that was denied a vote on by this body, by the Committee on Rules, itself I think wrongly, because, Mr. Speaker, this is the mechanism that translates the idea of a balanced budget, which most of us embrace, to actual reality. Without it, we are, I think, going down the same path as those that were here before us. We cannot afford that path again.

We are spending over $250 billion a year in interest now. The future is bleak, indeed, for the young people if we do not put an enforcement mechanism in this agreement. I wish we would vote "no" on the rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. TURNER].

Mr. TURNER. Mr. Speaker, I rise in opposition to the rule for the reason that the committee failed to acknowledge the importance of including enforcement language in this budget reconciliation bill. The truth of the matter is that the American people believe that we, in great fanfare, just a few weeks ago announced a balanced budget agreement, they believe the balanced budget agreement is something that has meaning to it, not an empty promise.

I think we in this Congress all need to tell the American people that a budget agreement resolution is no more than a New Year's resolution, and it is no more than a promise that can be broken without effective enforcement language put into the law.

The bipartisan Barton-Minge budget enforcement amendment needs to be in the budget reconciliation bill that this Congress will adopt. A promise to consider it later is not enough. The American people expect and deserve that we in the Congress will keep our promises for a balanced budget by 2002.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. ENGLISH].

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I rise in support of the rule.

Mr. Speaker, I rise in strong support of several reconciliation changes contained in the proposed manager's amendment that will be self-executing.

The amendment contains an additional $1 billion in relief for low-income seniors from the cost of their part B Medicare premiums. This change will further strengthen our bipartisan plan to save Medicare.

The amendment also provides credible protections for Medicare Advantage work programs. Specifically, it would strengthen minimum wage requirements, clarify the 40-hour work week, and adopt strong nondiscrimination provisions relating to age, race, gender, and disability. It also protects other workers with strong nondisplacement language.

The amendment contains other improvements, especially its designation of $100 million to empower states and extend Medicaid benefits for children affected by Social Security eligibility changes. This is a useful and balanced amendment, and I urge adoption of the rule.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Mr. Speaker, I urge a no vote on the rule. There is a crisis of faith in this country. People every 2 years run for office and ask for the privilege to serve in Congress. They say they are going to do things, and when the time comes to do those things, they find a reason to see it that they do not. All across the country people ran for Congress and said, we are going to restore the promise of lifetime health benefits to those people who served in our military honorably for 20, 25, 30 or more years.

There are 181 people who cosponsored a bill to do just that, including the Chairman of the Committee on Rules, the gentlewoman from Ohio [Ms. PRYCE], the gentleman from Georgia [Mr. LINDER], the gentleman from Florida [Mr. DIAZ-BALART], the gentleman from Colorado [Mr. McINNIS], and the gentleman from Washington [Mr. HASTINGS]. Yet, yesterday when the opportunity came before them to bring this measure to the House floor so we could restore what does, the same people who went to Korea, the people who went to Vietnam, the people who went to the desert, the people who are in Colombia today. They said, these people do not count.

We ought to defeat this rule. We ought to vote "no" on the previous question, and we ought to allow the Hefley bill, which is cosponsored by 181 Members of Congress, to fulfill the promise of lifetime health care to our military retirees, to be voted on up or down, so we can see whether those people who went back home and said they were for our military retirees really are, or whether it was just another empty promise.

Mr. Speaker, there is a crisis of faith in this country because people are not doing what they said they would do. We have a chance to correct that today, let us have a vote.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California [Ms. TAUSCHER].

Mrs. TAUSCHER. Mr. Speaker, I thank the gentleman for yielding time to me. Mr. Speaker, I rise in strong opposition to the rule. I object to the decision by the Committee on Rules to refuse to allow the Barton-Minge amendment, of which I am an original cosponsor, which would add strong budget enforcement language to the legislation.

While I strongly support the Barton-Minge budget agreement, I am concerned that without proper enforcement mechanisms, spending will run out of control and tax cuts will balloon, thereby voiding the balanced budget agreement.

A bipartisan group of Members has developed a proposed amendment to ensure that, when actual spending exceeds spending targets, Congress would have to take action by December 15 or automatic cuts would go into effect. Similarly, if revenues failed to meet the expected level, any phase-in of tax cuts would be delayed.

There have been numerous attempts to instill fiscal responsibility in the budget process, but those attempts have failed because they were unenforceable. Let us not allow this agreement to fall prey to the same shortcomings. I urge my colleagues to defeat the rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. ANDREWS].

Mr. ANDREWS. Mr. Speaker, I thank the ranking member for yielding time to me.

Mr. Speaker, I rise in opposition to the rule. I would say that there is no higher purpose for those who have been called to this House than to stop the
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practice of borrowing money to run the U.S. Government and sending the bill to our children. I do not doubt for one minute the good intentions of those who put this budget agreement together, but I sure do doubt what might happen as a result of those intentions if we do not have the enforcement language of the Barton-Minge amendment.

Here is what it says without it. If Congress spends more than we planned under this agreement, do Members know what happens? Nothing. If the Tax Code does not bring in as much money as we thought it would because of the tax cut, do Members know what happens? Nothing. Without this amendment the deficit will rise, the balanced budget will be in jeopardy, and we will continue the practice we all came here to stop.

I urge my colleagues to oppose this rule, and when we get a chance vote for the Barton-Minge amendment when it comes to the floor.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. Brown].

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in opposition to the rule. As the ranking member on the Subcommittee on Health and the Environment of the Committee on Commerce, I, with my Democratic colleagues, have recommended to improve the Medicare-Medicaid and children's health care expansion provisions in the Budget Reconciliation Act.

Most important, perhaps, of these would have reduced the number of Medicare MSA policies which could be issued from 500,000 to 100,000, thus saving approximately $1 billion over 5 years. These savings would be used to cover the copay for beneficiaries who will be covered for annual mammographies, bone mass testing, colorectal and prostate cancer screening, and a portion of the cost of test strips for diabetes under Medicare.

Last week a similar bipartisan amendment was offered and passed bipartisanly in the Senate Finance Committee which would scale back the demonstration project to 100,000 policies. Unfortunately, Republicans on the Committee on Rules neglected to allow us to offer this amendment, even though we only lost it in committee by one vote. It was part of the budget agreement originally. It makes sense.

Mr. Speaker, I urge my colleagues to oppose the rule when it comes before the House.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. Jost].

Mr. JOST. Mr. Speaker, I thank the gentleman from Massachusetts for yielding time to me.

Mr. Speaker, I rise in strong opposition to the rule. What are we afraid of? Are we afraid of keeping our promises? That is what we are talking about. We are talking about enforcing a balanced budget agreement that only 2 weeks ago everybody was praising. Everybody was talking about how great it is. But it is only worth the paper it is written on without some kind of enforcement.

What are the opponents of enforcement scared of? They are scared of keeping our promises? I would hope not. I would hope that the American people and us in putting enforcement in a budget that could explode if we are off on some of our economic figures.

Mr. SOLOMON. Mr. Speaker, I yield 30 seconds to the distinguished gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Speaker, I strongly appreciate the support that the Barton-Minge amendment has on both sides of the House, and I want to point out that under the collocation agreement, we will get that vote on enforcement no later than July 24. If we win on the floor, it will be in the reconciliation package in the conference. So I would hope we would vote for the rule.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I cannot believe the gentleman from Texas would not vote against the previous question so he can get immediate recognition of this provision.

Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. LEWIS], the minority whip.

Mr. LEWIS of Georgia. Mr. Speaker, I rise to urge my colleagues to defeat this rule. This bill that the Republicans are bringing to this floor breaks the budget deal the Republicans made with the President. On issue after issue this bill is in violation of the budget agreement.

Mr. Speaker, how can the President negotiate if they will not deal in good faith, if they will not keep their word? On children's health care, this bill breaks the deal. On protecting disabled legal immigrants, the bill breaks the deal. On providing worker protection for people moving from welfare to work, this bill is not in keeping with the spirit of the deal.

Mr. Speaker, this bill violates both the spirit and the letter of a balanced budget agreement. Defeat the rule, defeat the bill. It is not the deal made with the President or the deal made with the American people.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. BOYD].

Mr. BOYD. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I am a strong supporter of tax relief for American families that is fair and fiscally responsible. I am a strong supporter of the balanced budget agreement. I voted for that. I rise today in opposition to this rule because this bill that we are addressing today does not meet the criteria that is necessary to see that we have both of those things.

I am deeply concerned that this reconciliation bill, as it is written without very important enforcement language, that is, the Barton-Minge language that should have been included, will blow a hole in the deficit past the year 2002. Look back at history and exactly what happened with the other balanced budget plans that Congress passed in the past.

We worked too hard to get this far. We have a unique opportunity to get this budget balanced and establish an economic policy that will guarantee long-term balance for the U.S. Government.

The tax cuts that we have here, especially indexing of capital gains and the very long 10-year phase-in of estate taxes, is bad. I implore Members to vote against the rule.

Mr. MOAKLEY. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I urge Members to defeat the previous question. If that previous question is defeated, I will offer an amendment to the rule which will make in order 22 amendments. Including the amendments by women from Florida, Mrs. MILLER and Mrs. ROSS-LEHTINEN that would preserve Social Security and Medicaid payments for elderly or disabled legal immigrants as amended by the gentleman from Mississippi, Mr. TAYLOR, which guarantees health coverage to military retirees when they become Medicare eligible, an amendment by the gentleman from Texas, Mr. BARTON, and the gentleman from Minnesota, Mr. MINGE, which incorporates budget targets into the law and holds the President and the Congress accountable if the actual budget outcomes do not meet the budget agreement goals.

Mr. Speaker, these are all very important amendments and the House should have an opportunity to consider them. I urge no on the previous question and defeat the rule.

The SPEAKER pro tempore (Mr. COMBEST). The gentleman from Massachusetts [Mr. MOAKLEY] has 3 minutes remaining.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the very distinguished gentlewoman from Columbus, OH [Ms. PRYCE], a member of the Committee on Rules.

Ms. PRYCE of Ohio. Mr. Speaker, I thank the distinguished chairman of the Committee on Rules for yielding me the time.

I rise in strong support of this rule and the reconciliation package and I am very encouraged by the compromise to address the enforcement issue.

Mr. Speaker, even without that in this bill, boy, have we come a long way. Mr. Speaker, the growth in the 1980's showed us what can happen when we give the American people the things that they need to grow and prosper. The same is true today. Government does not create new jobs. Government does not build stable families. Our challenge is to restore growth and opportunity and to sustain it for future
generations. This reconciliation package holds the beginning of an answer to that challenge. Nobody calls it perfect, but it is a start and it is sure about this future.

It combines budget restraint with pro-growth tax policy. By preserving and strengthening Medicare, it honors our commitment to older Americans. By including a child tax credit and new savings incentives it will help families to keep more of their hard-earned money to spend on things they need most of their lives.

This package is an honest bipartisan attempt to help those who will create tomorrow’s growth and prosperity, the earners, the savers, the taxpayers who work hard; those people that get up earlier, stay at the office a little later, the ones that play by the rules, take a few risks and strive to build a better future for their families and communities.

Mr. Speaker, after years of unbalanced budgets, deficit spending, and higher taxes, the chance to begin restoring the American dream is finally within our grasp. Let us seize it. Let us not miss this historic opportunity to give our children and grandchildren the bright economic future they deserve. I urge my colleagues to support this fair, balanced rule and to vote for this reconciliation package.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute and 10 seconds to the gentleman from Oklahoma [Mr. COBURN].

Mr. COBURN. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me the time.

I think it is important for people in this country to know what this rule does. If you are poor and you are on Medicaid, this bill takes away the right of your physician to determine when you should be discharged from the hospital. We put that in committee. We did that on purpose, because you have a right to have quality care and the profits of a health insurance industry should not come above that. This rule does not take it out of Medicare. We put it in Medicare, too.

But AARP is such a strong force that we did not have the courage to take it out in the Medicare portion of this bill. So if you are poor, you are blown away. If you are protected by Medicare, you are protected for right now. When it finally comes to be, you will be discharged from the hospital by the insurance company that is running the managed care program.

I thank the gentleman very much for yielding me the time.

Mr. MOAKLEY. Mr. Speaker, will the gentleman yield?

Mr. COBURN. I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. Mr. Speaker, is the gentleman opposed to the rule?
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AMENDMENTS TO H.R. 1997: BUDGET RECONCILIATION SPENDING ACT
AMENDMENT TO THE RECONCILIATION BILL, AS APPROVED BY THE COMMITTEE ON WAYS AND MEANS ON JUNE 15, 1997, OFFERED BY MRS. MEEK AND MS. ROS-LEHTINEN

In section 9302 strike subsection (a) and insert the following:
(a) Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding after subparagraph (D) the following new subparagraph:
"(E) QUALIFIED ALIEN ON AUGUST 22, 1996.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to an alien who on August 22, 1996, was a qualified alien."

AMENDMENT TO H.R. — (RECONCILIATION) OFFERED BY MRS. MEEK OF FLORIDA
At the end of section 9103(a), add the following:

(3) ADDITIONAL MANDATORY STATE PAYMENTS.
(A) DUTIES OF THE SOCIAL SECURITY ADMINISTRATION.—For each of fiscal years 1998 through 2002, the Commissioner of Social Security shall—
(i) estimate the difference between—
(I) the total cost to the Federal Government of payments and benefits furnished under the program (as defined in section 433 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) supplemental security income benefits under title XVI of the Social Security Act and medical assistance benefits under title XIX of the Social Security Act and medical assistance furnished on or after July 1, 1997; and
(ii) the total cost to the Federal Government of payments and benefits furnished under the program (as defined in section 433 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) supplemental security income benefits under title XVI of the Social Security Act and medical assistance furnished on or after July 1, 1997.
(B) PAYMENT.—In order for any State (other than the Commonwealth of Puerto Rico, the Virgin Islands, or Guam) to be eligible for payments pursuant to title XIX with respect to expenditures for any quarter in fiscal year 1998 through 2002, the State shall pay to the Commissioner of Social Security the amount required to be collected from the State under subparagraph (A)(ii) for the fiscal year.
(C) USE OF MOUNTS COLLECTED.—For fiscal year 1998 and each subsequent fiscal year, the sums collected from each State pursuant to subparagraph (A)(ii) shall be credited to a special fund in the Treasury of the United States for State administrative payment fees. Amounts so credited, to the extent and in the amounts provided in advance in appropriations Acts, shall be available to defray expenses incurred in carrying out title XVI of the Social Security Act and related laws.

AMENDMENT OFFERED BY MR. BROWN OF OHIO TO THE MEDICARE RECONCILIATION PROVISIONS
Page 8, line 5, strike "$900,000" and insert "$100,000".
Page 131, after line 36, insert the following new subsection (and redesignate the succeeding subsections accordingly):
(c) WAIVER OF COINSURANCE.—Section 1833(a)(1) (42 U.S.C. 13951(a)(1)) is amended by—
(A) striking "and" at the end of clause (O), and
(B) inserting before the semicolon at the end the following: "and with respect to bone mass measurement (as defined in section 1861(nn)), the amount paid shall be 100 percent of the fee schedule amount provided under section 1848".

Page 132, line 7, before the period insert the following:
". except that the amendments made by subsection (c) shall apply to items and services furnished on or after January 1, 2000."

AMENDMENT OFFERED BY MR. BROWN OF OHIO TO THE CHILD HEALTH RECONCILIATION PROVISIONS
Add to the end the following new section:
SEC. 3504. CONTINUATION OF MEDICARE ELIGIBILITY FOR DISABLED CHILDREN WHO LOSE SSI BENEFITS
(a) In General.—Section 1902(a)(10)(A)(i)(I) (42 U.S.C. 1396a(a)(10)(A)(i)(I)) is amended by inserting "or were being paid as of the date of enactment of section 211(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) and would continue to be paid but for enactment of that section" after "title XVI".
(b) EFFECTIVE DATE.—The amendment made by Sub-Section (a) applies to medical assistance furnished on or after July 1, 1997.

AMENDMENT OFFERED BY MR. BROWN OF OHIO TO THE CHILD HEALTH RECONCILIATION PROVISIONS
(Page & line nos. refer to Committee Print of 6/11/97, KIDCARE.006)
Page 2, amend lines 19 and 20 to read as follows:
"(b) Other methods specified under the plan other than direct purchase of services from providers."

AMENDMENT TO H.R. — AS REPORTED, OFFERED BY MR. COKAS OF PENNSYLVANIA AND MR. FROST OF TEXAS
Insert after section 566 of the bill the following (and conform the table of contents accordingly):

SEC. 967. EXEMPTION FROM REPORTING REQUIREMENTS FOR CERTAIN AMOUNTS PAID TO ELECTION OFFICIALS AND ELECTION WORKERS.
(A) In General.—Section 6051 is amended by adding at the end the following new subsection:
(B) EXCEPTION FOR CERTAIN AMOUNTS PAID TO ELECTION OFFICIALS AND ELECTION WORKERS.
Notwithstanding any other provision of this title, the Secretary may require a statement described in this section to include any amount paid as remuneration for service performed by an election official or election worker (within the meaning of section 1861(nn)(4)(v)) if it is reasonable to believe that such remuneration is not subject to tax under chapter 21 (relating to Federal Insurance Contributions Act).

EFFECTIVE DATE.—The amendment made by this section shall apply to remuneration paid after December 31, 1996, in taxable years ending after such date.

AMENDMENT TO H.R. — AS REPORTED, OFFERED BY MR. BARTON OF TEXAS AND MR. MINGE
At the end of the bill, add the following new title:
TITLE XI—BUDGET PROCESS ENFORCEMENT
SEC. 11001. SHORT TITLE AND TABLE OF CONTENTS.
(a) Short Title.—This title may be cited as the "Balanced Budget Assurance Act of 1997".
Section 11207. The current law baseline.
Section 11206. Special rules.
Section 11202. Enforcing direct spending caps.
Section 11106. Economic assumptions.
Section 11103. Effect on Presidents’ budget submissions.
Section 11101. Timetable.
Subtitle A—Ensure That the Bipartisan Balanced Budget Agreement of 1997 Achieves Its Goal

SEC. 11101. TIMETABLE.

On or before: Action to be completed:
January 15...President’s budget order or order delaying new/additional revenue increases/ reductions scheduled to take effect pursuant to reconciliation legislation due on January 31, 1998.
February 15...OMB and CBO updates.

SEC. 11102. APPROVAL ACT.

The term "appropriation act" means an act referred to in section 105 of title 1 of the United States Code.

SEC. 11103. CONSOLIDATED DEFICIT.

The term "consolidated deficit" means, with respect to a fiscal year, the amount by which total outlays exceed total receipts during that year.

SEC. 11104. SURPLUS.

The term "surplus" means, with respect to a fiscal year, the amount by which total receipts exceed total outlays during that year.

SEC. 11105. DIRECT SPENDING CAPS.

The term "direct spending caps" means the nominal dollar limits for entitlements and other mandatory spending pursuant to section 11105 as modified by any revisions provided for in this Act.

SEC. 11100. DEFINITIONS.

For purposes of this title:
(1) ELIGIBLE POPULATION.

The term "eligible population" shall mean those individuals to whom the United States is obligated to make a payment under the provisions of a law creating entitlement authority. Such term shall not include States, localities, corporations or other nonliving entities.

(2) SEQUESTER.

The terms "sequester" and "sequestration" refer to or mean the cancellation of budgetary resources provided by discretionary appropriations or direct spending law.

(3) BREACH.

The term "breach" means, for any fiscal year, the amount (if any) by which outlays for that year (within a category of direct spending) is above that category's direct spending law creating entitlement authority. The term "breach" shall not include States, localities, corporations or other nonliving entities.

(4) BASELINE.

The term "baseline" means the projection (described in section 11207) of the current law baseline for any fiscal year.

(5) BUDGETARY RESOURCES.

The term "budgetary resources" means new budget authority as budget outlays, direct spending authority, and obligation limitations.

(6) DISCRETIONARY APPROPRIATIONS.

The term "discretionary appropriations" means budget authority (except to fund direct spending programs) provided in appropriation Acts. If an appropriation Act alters the level of direct spending or offsetting collections, that effect shall be treated as direct spending.

(7) DIRECT SPENDING.

The term "direct spending" means:
(A) budget authority provided by law other than appropriation Acts, including entitlement authority;
(B) entitlement authority; and
(C) direct spending pursuant to section 11205.

If a law other than an appropriation Act alters the level of discretionary appropriations or offsetting collections, that effect shall be treated as discretionary spending.

(8) ENTITLEMENT AUTHORITY.

The term "entitlement authority" means authority (whether temporary or permanent) to make payments (including loans and grants), the budget authority for which is not provided for in an appropriation Act, to any person or government if, under the provisions of the law containing such authority, the United States is obligated to make such payments to persons or governments who meet the requirements established by such law.

(9) CURRENT.

The term "current" means, with respect to OMB estimates included in a budget submission under section 1106(a) of title 31 U.S.C., the estimates consistent with the economic and technical assumptions underlying that budget.

(10) ACCOUNT.

The term "account" means an item for which there is a designated budget account designation number in the President’s budget.

(11) BUDGET YEAR.

The term "budget year" means the fiscal year of the Government that starts on the next October 1.

(12) CURRENT YEAR.

The term "current year" means, with respect to a budget year, the fiscal year that immediately precedes that budget year.

(13) OUTYEAR.

The term "outyear" means, with respect to a budget year, any of the fiscal years that follow the budget year.

(14) OMB.

The term "OMB" means the Director of the Office of Management and Budget.

(15) CBO.

The term "CBO" means the Director of the Congressional Budget Office.

(16) BUDGET OUTLAYS AND OUTLAYS.

The terms "budget outlays" and "outlays" mean, with respect to any fiscal year, expenditures of funds under budget authority during such year.

(17) BUDGET AUTHORITY AND NEW BUDGET AUTHORITY.

The terms "budget authority" and "new budget authority" have the meanings given to them in section 3 of the Congressional Budget and Impoundment Control Act of 1974.

(18) APPROPRIATION ACT.

The term "appropriation act" means an act referred to in section 105 of title 1 of the United States Code.

(19) CONSOLIDATED DEFICIT.

The term "consolidated deficit" means, with respect to a fiscal year, the amount by which total outlays exceed total receipts during that year.

(20) SURPLUS.

The term "surplus" means, with respect to a fiscal year, the amount by which total receipts exceed total outlays during that year.

(21) DIRECT SPENDING CAPS.

The term "direct spending caps" means the nominal dollar limits for entitlements and other mandatory spending pursuant to section 11105 as modified by any revisions provided for in this Act.

Subtitle B—Enforcement Provisions

Section 11201. Reporting excess spending.
Section 11202. Ensuring direct spending caps.
Section 11203. Sequestration rules.
Section 11204. Enforcing direct spending caps.
Section 11205. Exempt programs and activities.
Section 11206. Economic assumptions.
Section 11207. Refunds to direct spending targets and to the caps for entitlements and other mandatory spending.

SEC. 11202. ENFORCING DIRECT SPENDING CAPS.

Section 11201. Reporting excess spending.
Section 11202. Ensuring direct spending caps.
Section 11203. Sequestration rules.
Section 11204. Enforcing direct spending caps.
Section 11205. Exempt programs and activities.
Section 11206. Economic assumptions.
Section 11207. Refunds to direct spending targets and to the caps for entitlements and other mandatory spending.

Subtitle B—Enforcement Provisions

Section 11201. Reporting excess spending.
Section 11202. Ensuring direct spending caps.
Section 11203. Sequestration rules.
Section 11204. Enforcing direct spending caps.
Section 11205. Exempt programs and activities.
Section 11206. Economic assumptions.
Section 11207. Refunds to direct spending targets and to the caps for entitlements and other mandatory spending.
to subsection (a), and the joint resolution shall be placed on the appropriate calendar.

(2) CONSIDERATION OF DISCHARGE RESOLUTION IN THE HOUSE.—If the Committee has been discharged under paragraph (1) above, any Member may move that the House of Representatives consider the resolution. Such motion shall be highly privileged and not debatable. It shall not be in order to con- sider, alter, or amend the resolution except amendments which are germane and which do not change the net deficit impact of the resolution.

(b) PROVISION OF SPECIAL JOINT RESO- LUTION IN THE HOUSE.—Consideration of resolution reported pursuant to subsection (c) or (d) shall be pursuant to the procedures set forth in section 305 of the Congressional Budget Act of 1974 and subsection (d).

(j) TRANSMITTAL TO SENATE.—If a joint res- olution passes the House of Representatives pursuant to subsection (c) or (d), the Clerk of the House of Representatives shall cause the resolution to be engrossed, certified, and transmitted to the Senate within 1 calendar day of the day on which the resolution is passed by the House. The resolution shall be referred to the Sen- ate Committee on the Budget.

(k) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider a conference report on a joint resolution or other legislation that is not a joint resolution or other legislation that is not a joint resolution except amendments which are germane and which do not change the net deficit impact of the resolution.

SECT. 11103. EFFECT ON PRESIDENTS' BUDGET SUBMISSIONS; POINT OF ORDER.

(a) BUDGET SUBMISSION.—Any budget sub- mission required under title 31, United States Code, shall be deemed to be a joint resolution. If a joint resolution containing the same budget sub- mission is reported by the House of Representatives pursuant to subsection (a), and the joint resolution is passed by the House of Representatives, with or without amendment:

(i) the entire amount by which actual or projected deficits exceed, or revenues fall short of, the targets in this Act; or

(ii) the entire amount by which actual or projected outlays exceed the caps contained in this Act.

(b) REQUIREMENTS FOR SPECIAL JOINT RESO- LUTION.—It shall not be in order in the House of Representatives or the Senate to consider a conference report on a joint resolution except amendments which are germane and which do not change the net deficit impact of the resolution.

(c) CONFERENCE REPORTS SHALL FULLY AD- DRESS DEFICIT EXCESS.—It shall not be in order in the House of Representatives or the Senate to consider a conference report on a joint resolution except amendments which are germane and which do not change the net deficit impact of the resolution.

(d) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget unless it is consistent with the deficit, revenue targets and the expend- ing, revenue, and deficit levels estab- lished in sections 11104 and 11105. The vote on any resolution reported pursuant to subsection (j) of this section shall be on the subject of either deficit, revenue targets or the expenditure levels in this Act.

SECT. 11104. DEFICIT AND REVENUE TARGETS.

(a) CONSOLIDATED DEFICIT (OR SURPLUS) TARGETS.—For purposes of sections 11102 and 11107, the consolidated deficit targets shall be:

(i) for fiscal year 1998, $80,500,000,000;

(ii) for fiscal year 1999, $77,800,000,000;

(iii) for fiscal year 2000, $83,300,000,000;

(iv) for fiscal year 2001, $33,000,000,000; and

(v) for fiscal year 2002, there shall be a sur- plus of not less than $1,400,000,000.

(b) CONSOLIDATED REVENUE TARGETS.—For purposes of sections 11102, 11107, 11201, and 11204, the consolidated revenue targets shall be:

(i) for fiscal year 1998, $1,601,800,000,000;

(ii) for fiscal year 1999, $1,664,200,000,000;

(iii) for fiscal year 2000, $1,728,100,000,000;

(iv) for fiscal year 2001, $1,800,000,000,000; and

(v) for fiscal year 2002, $1,890,400,000,000.

SECT. 11105. DIRECT SPENDING CAPS.

(a) GENERAL.—Effective upon submis- sion of the budget report by OMB pursuant to section (c), direct spending caps shall apply to all entitlement authority except for un- distributed offsets receipts and net inter- est outlays. For purposes of enforcing direct spending caps under this Act, each separate program shown in the table set forth in sub- section (b) shall be deemed to be a category.

(b) LIST OF PROGRAMS.—For purposes of this section, the following programs shall apply as the limits set forth in such joint explana- tory statement.

11204, the consolidated revenue targets shall be:

(i) for fiscal year 1998, $1,601,800,000,000;

(ii) for fiscal year 1999, $1,664,200,000,000;

(iii) for fiscal year 2000, $1,728,100,000,000;

(iv) for fiscal year 2001, $1,800,000,000,000; and

(v) for fiscal year 2002, $1,890,400,000,000.

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(iv) for fiscal year 2001, $1,800,000,000,000; and

(v) for fiscal year 2002, $1,890,400,000,000.
providing new direct spending includes economic adjustments to the direct spending caps for changes in economic conditions in all succeeding fiscal years.

(A) CHANGES IN CONCEPTS AND DEFINITIONS.—The adjustments produced by changes in concepts and definitions shall equal the baseline levels of new budget authority and outlays using up-to-date concepts and definitions. The changes in the concepts and definitions using the concepts and definitions in effect before such changes. Such changes in concepts and definitions may only be made in consultation with the Committees on Appropriations, the Budget, and Government Reform and Oversight and Governmental Affairs of the House of Representatives and the Senate.

(B) CHANGES IN NET OUTLAYS.—Changes in net outlays for all programs and activities exempt from sequestration under section 11204.

(C) CHANGES IN INFLATION.—For direct spending under laws and policies enacted or effective on or before July 1, 1997, inflation adjustment factors shall equal the ratio between current over-alls-y ear measured for the fiscal year most recently completed and the applicable estimated level for that years as described in section 11105 (referred to in this section as “the applicable inflation”). For direct spending under laws and policies enacted or effective after July 1, 1997, there shall be no adjustment to the direct spending caps in such years.

(D) CHANGES IN ELCIBLE POPULATIONS.—For changes in direct spending caps in section 11105 based on those populations.

(E) CHANGES TO DEFICIT TARGETS.—The direct spending caps for the current fiscal year and estimated for all entitlement programs.

(F) PERMISSIBLE REVISIONS TO DEFICIT AND REVENUE TARGETS AND DIRECT SPENDING CAPS.—Deficit and revenue targets and direct spending caps as enacted pursuant to sections 11104 and 11105 may be revised as follows: Except as required pursuant to section 11105(a), direct spending caps may only be amended by recorded vote. It shall be a matter of highest privilege in the House of Representatives and the Senate for a Member of the House of Representatives or the Senate to insist on a recorded vote solely on the question of amending such caps. It shall not be in order for the Committee on Rules of the House of Representatives to report a resolution waiving the provisions of this subsection. The next subsection may be waived in the Senate only by an affirmative vote of three-fifths of the Members duly chosen and sworn.

SUBTITLE F—ENFORCEMENT PROVISIONS

SEC. 11201. REPORTING DIRECT SPENDING.

(a) ANALYSIS OF ACTUAL DEFICIT, REVENUE, AND SPENDING LEVELS.—As soon as practicable after any fiscal year, OMB shall compile a statement of actual deficits, revenues, and direct spending for that year. The statement shall identify such spending by categories contained in section 11105.

(b) ESTIMATE OF NECESSARY SPENDING REDUCTION.—Based on the statement provided under subsection (a), OMB shall issue a report to the President and the Congress on December 15 of any year in which such statement shows actual or projected deficits, revenues, or spending in the current or immediately preceding fiscal year in violation of the revenue targets or direct spending caps in section 11105 by more than one percent of the applicable total revenues or direct spending for such year. The report shall include:

(1) In all instances in which actual direct spending has exceeded the applicable direct spending cap.

(2) The difference between the amount of spending available under the direct spending caps and the estimated actual spending for the categories associated with such caps.

(3) The amounts by which direct spending may be reduced in the next fiscal year so that total actual and estimated direct spending for all cap categories for the current and immediately preceding fiscal years shall not exceed the amounts available under the direct spending caps for such year.

(4) The amount of excess spending attributable solely to changes in inflation or eligible populations.

SEC. 11202. ENFORCING DIRECT SPENDING CAPS.

(a) PURPOSE.—This subtitle provides enforcement of the direct spending caps on categories of spending established pursuant to section 11105. This section shall apply for all fiscal years in which direct spending exceeds the applicable direct spending cap.

(b) GENERAL RULES.—

(1) ELIMINATING A BREACH.—Each non-exempt account within a category shall be reduced by a dollar amount calculated by multiplying the baseline level of sequesterable budgetary resources in that account at the time by the uniform percentage necessary to eliminate a breach within that category.

(2) PROGRAMS, PROJECTS, OR ACTIVITIES.—Except as otherwise provided, the same percentage shall be applied to all programs, projects, or activities within a budget account.

(c) INDEFINITE AUTHORITY.—Except as otherwise provided, the sequester shall be applied to all programs, projects, or activities within a budget account.

(d) SEQUESTRATION OF ALL SPENDING PROGRAMS OR ACTIVITIES.—If any direct spending exceeds the applicable direct spending cap in any fiscal year in which direct spending exceeds the applicable direct spending cap.

(e) SEQUESTRATION IN ACCOUNTS.—For programs subject to direct spending caps:

(1) TRIGGERING OF SEQUESTRATION.—Sequestration shall reduce spending under each separate direct spending cap in proportion to the amounts each direct spending cap exceeded the applicable cap.

(2) CALCULATION OF REDUCTIONS.—Sequestration shall reduce spending under each separate direct spending cap in proportion to the amounts each direct spending cap exceeded the applicable cap.

(3) UNIFORM PERCENTAGES.—In calculating the uniform percentage applicable to the sequestration of all spending programs or activities within each category, or the uniform percentage applicable to the sequestration of nonexempt direct spending programs or activities, the sequestration percentage is the total level of outlays for the fiscal year for those programs or activities in the current law baseline.

(f) PERMANENT SEQUESTRATION OF DIRECT SPENDING.—Obligations in sequestered direct spending accounts shall be reduced in the fiscal year in which a sequestration occurs and in all succeeding fiscal years. Notwithstanding any other provision of this section, after the first direct sequestration, any later sequestration shall reduce direct spending by an amount in addition to, rather than in lieu of, the reduction in direct spending in place under the existing sequestration or sequestrations.

(g) SPECIAL RULE.—For any direct spending program in which: (A) (1) outlays pay for entitlement benefits; (B) a current-year sequestration takes effect before the 1st day of the budget year; (C) that delay reduces the amount of entitlement authority that is subject to sequestration in the budget; (D) the uniform percentage otherwise applicable to the budget-year sequestration of a program or activity is increased due to the delay; then the uniform percentage shall revert to the uniform percentage calculated under paragraph (3) when the budget year is completed.

(h) INDEBTEDNESS BUDGETARY RESOURCES.—If, under any entitlement program:

(1) benefit payments are made to persons or governments more frequently than once a year; and

(2) the amount of entitlement authority is periodically adjusted under existing law to reflect changes in the benefit payment reductions in such program or activity is increased due to the delay then the uniform percentage shall revert to the uniform percentage calculated under paragraph (3) when the budget year is completed.

(i) PROGRAMS, PROJECTS, OR ACTIVITIES.—Except as otherwise provided, the same percentage shall be applied to all programs, projects, or activities within a budget account.

(j) INDEFINITE AUTHORITY.—Except as otherwise provided, the sequester shall be applied to all programs, projects, or activities within a budget account.

(k) SEQUESTRATION OF ALL SPENDING PROGRAMS OR ACTIVITIES.—If any direct spending exceeds the applicable direct spending cap.
OMB shall issue a report to the President and the Congress on December 15 of any year in which such statement identifies actual or projected revenues to be less than the applicable revenue target in section 11104, as adjusted pursuant to section 11106, for such fiscal year by more than 1 percent of such target.

(b) The fees paid by borrowers shall be increased by a uniform percentage sufficient to produce the dollar savings in such loan programs and activities that are estimated to be required by the sequestration required under this Act.

(8) INSURANCE PROGRAMS.—Any sequestration of a Federal program that sells insurance contracts to the public (including the Federal Crop Insurance Fund, the National Flood Insurance fund, insurance activities of the Office of Insurance, the National Flood Insurance Corporation, and Veterans’ Life insurance programs) shall be accomplished by increasing premiums on contracts entered into extended or otherwise modified, after the date a sequestration order takes effect by the uniform sequestration percentage. Notwithstanding any other provision of law, for any year in which a sequestration affecting such programs is in effect, such premiums shall be increased by the uniform percentage and all proceeds from the premium increase shall be paid from the insurance fund or account to the general fund of the Treasury.

(9) STATE GRANT FORMULAS.—For all State grant programs subject to direct spending caps:

(A) the total amount of funds available for each State shall be reduced by the amount required to be sequestered; and

(B) if States are projected to receive increased funding in the budget year compared to the immediately preceding fiscal year and such increase exceeds the amount that can be estimated directly from the assumptions in the President’s budget, States shall be required to reduce the amount of funds available to States in the immediately preceding fiscal year only to the extent necessary to eliminate any remaining excess over the applicable direct spending cap.

(10) SPECIAL RULE FOR CERTAIN PROGRAMS.—Exceptions to the base funding levels available to States in the immediately preceding fiscal year to equal or exceed the applicable targets the President shall provide that the new tax cuts shall take effect until the first calendar year which is not a tax benefit suspension year.

(11) END OF SUSPENSION.—If the OMB report issued under subsection (a) following a tax benefit suspension year indicates that the total of revenues projected in the current fiscal year and actual revenues in the immediately preceding fiscal year equal or exceed the applicable targets for the applicable year, no further reductions shall be applied.

(c) SUSPENSION OF BENEFITS BEING PHASED IN.—(A) Any increase in the benefit under such section with respect to which the reductions required under this Act shall reduce benefit levels by an amount sufficient to eliminate all excess spending identified in the report issued pursuant to section 11201, while maintaining the same uniform percentage, shall be reduced by the uniform percentage and all proceeds from the reduction in the monetary value of benefits subject to reduction under this subsection shall be deposited in the cost of living adjustments account.

(d) WITHIN-SESSION SEQUESTRATION.—(A) A bill or resolution providing direct spending for the fiscal year enacted before July 1 of that fiscal year is not applicable to such fiscal year and actual revenues in the immediately preceding fiscal year or are projected to be less than the applicable revenue target in the current year.

(c) ESTIMATE OF NECESSITY TO SUSPEND NEW REVENUE REDUCTIONS.—Based on the statement provided under section 11201(a), the President may issue a report to the President and Congress on December 15 of any year in which such statement identifies actual or projected revenues to be lower than the applicable revenue target in section 11104, as adjusted pursuant to section 11106, for such fiscal year by more than 1 percent of such target, or
lower uniform percentage reduction that would otherwise apply.

(2) The President may not use the authority provided by paragraph (1) unless he notifies the Congress of the manner in which such authority will be exercised on or before the initial snapshot date for the budget year.

SEC. 11206. SPECIAL RULES.

(a) CHILD SUPPORT ENFORCEMENT PROGRAM.—Any sequestration order shall accomplish the sequestration of any regular obligation under section 455 and 458 of the Social Security Act by reducing the Federal matching rate for child support enforcement program, as specified for the fiscal year involved in section 455(a) of such Act, to the extent necessary to reduce such expenditures by that amount.

(b) COMMODITY CREDIT CORPORATION.—For the Commodity Credit Corporation, the date on which a sequestration order takes effect in a fiscal year shall vary for each crop of a commodity. In general, the sequestration order shall take effect when issued, but for each crop of a commodity for which 1-year contracts are issued as an entitlement, the sequestration order shall take effect no later than the start of the sign-up period for that crop that begins after the sequestration order is issued. Payments for each contract in such a crop shall be reduced under the same terms and conditions.

(c) EFFECTIVE DATE.—For purposes of subsection (b)(1), the sequesterable base for Commodity Credit Corporation is the current-year level of gross outlays resulting from new budget authority that is subject to reduction under paragraphs (1) and (2).

(d) CERTAIN AUTHORITY NOT TO BE LIMITED.—Nothing in this Act shall restrict the Corporation in the discharge of its authority and responsibility as a corporation to buy and sell commodities in world trade, or reduce in any way any appropriation that is to be used for the purchase of milk or the products of milk under this subsection during that fiscal year.

(e) EFFECT OF DELAY.—For purposes of subsection (b)(1), the sequesterable base for Commodity Credit Corporation is the current-year level of gross outlays resulting from new budget authority that is subject to reduction under paragraphs (1) and (2).

(f) EARNED INCOME TAX CREDIT.—(I) The earned income tax credit under section 32 of the Internal Revenue Code shall be reduced by the uniform percentage calculated under section 11203(c)(3), as applicable, but no sequestration order may reduce or have the effect of reducing the earned income tax credit for any individual entitled to any statutory payment system as increased by any amount payable under section 3304 of title 5, United States Code, for any program which is scheduled to take effect under section 5303 of title 5, United States Code, section 1109 of title 37, United States Code, or any other provision of law.

(2) DEFINITIONS.—For purposes of this subsection—

(A) the term "statutory payment system" shall have the meaning given that term in section 1876(a)(4) of the Social Security Act;

(B) the term "elements of military pay" means—

(i) the elements of compensation of members of the uniformed services specified in section 7043(b) of title 37, United States Code;

(ii) allowances provided members of the uniformed services under sections 403(a) and 405 of such title; and

(iii) cash and midshipman pay under section 2303(c) of such title;

and the term "uniformed services" shall have the same meaning given that term in section 101(3) of title 37, United States Code.

(g) MEDICARE.—(I) TIMING OF APPLICATION OF REDUCTIONS.—(A) the amount of sequestration shall be calculated by multiplying the total amount by the appropriate spending cap by a percentage that reflects the ratio of total spending under Part B to total Medicare spending; and (B) sequestration in the Part B program shall be accomplished by increasing premiums to beneficiaries.

(II) NO EFFECT ON COMPUTATION OF AAPCC.—In computing the adjusted average premium cap (as defined in section 1842(b)(3)(B)(ii) of the Social Security Act), the Secretary of Health and Human Services shall not take into account any reductions in payment amounts that have been or may be effected under this part.

(i) POSTAL SERVICE FUND.—Any sequestration of the Postal Service Fund shall be accomplished by annual payments from that Fund to the General Fund of the United States Treasury. Any such payment for a fiscal year shall be made as soon as possible during the fiscal year, except that it may be made in installments within that year if the payment schedule is approved by the Secretary of the Treasury. Within 30 days after the sequestration order is issued, the Postmaster General shall submit to the Postal Rate Commission, which may approve or modify it in the manner that modifications are allowed under current law. If the Postal Rate Commission does not approve or modify the plan within 30 days, the plan submitted by the Postmaster General shall go into effect. Any plan may be later revised by the submission of a new plan to the Postal Rate Commission, which may approve or modify it.
The procedure for allocation of the amounts pursuant to paragraph (1) shall ensure that the funds are released for allocation only pursuant to the conditions contained in subsection (b). No funds shall be released in any fiscal year for which CBO or OMB submit their midyear reviews.

SEC. 11208. LIMITATIONS ON EMERGENCY SPENDING.

(a) In General.—(1) Within the discretionary caps for each fiscal year contained in this Act, an amount shall be withheld from the total discretionary spending cap that shall be applied to the committees and reserved for natural disasters and other emergency purposes.

(2) Such amount for each such fiscal year shall be determined by—

(A) the amount of emergency expenditures for the fiscal year in question, plus

(B) the amount transferred from the discretionary spending cap for budget year 

(3) The amounts reserved pursuant to this paragraph shall be made available for allocation to such committees only if—

(A) the President has made a request for such amounts to the House of Representatives and Senate of the United States;

(B) the amount requested to be funded is included in such request; and

(C) the projected obligations for unforeseen emergency needs exceed the 10-year rolling average of actual emergency obligations for programs included in the Presidential request for the applicable fiscal year.

(b) Notwithstanding any other provision of law—

(1) States and localities shall be required to maintain effort and ensure that Federal assistance payments do not replace, subvert, or otherwise reduce the effect of reducing regularly budgeted State and local expenditures for law enforcement, refighting, road construction and maintenance, building construction and repair, and other categories of regular government expenditure (to ensure that Federal disaster payments are made only for incremental costs directly attributable to unforeseen disasters, and do not replace or reduce regular State and local expenditures for the same purposes); and

(2) the Secretary of Defense under the authority of the President from taking administrative action to waive all or part of any repayment of Federal loans for the State or local matching share required as a condition of receiving Federal disaster payments in this clause, and any disaster assistance authorized under chapter 55 of title 10, United States Code, shall apply to all matching share requirements and loans to meet matching share requirements under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) and other Acts pursuant to which the President may declare a disaster or disasters and States and localities otherwise qualify for Federal disaster assistance; and

(3) the term "Secretaries" in section 101 of the Balanced Budget and Emergency Deficit Control Act of 1985 or of section 11207 of the Balanced Budget and Emergency Deficit Control Act of 1995 provides an appropriation or direct spending for any other matter, but that bill or joint resolution, amendment, or conference report may contain recissions of budget authority or reductions of direct spending or that amendment may reduce amounts for that emergency.

(c) RESTRICTION ON USE OF FUNDS.—No funds shall be released in any fiscal year for which CBO or OMB submit their midyear reviews pursuant to subsection (b).

SEC. 408. It shall not be in order in the House of Representatives or the Senate to consider any bill or joint resolution, or amendment thereto or conference report thereon, containing an emergency designation for purposes of section 251(b)(3)(D) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 or of section 11207 of the Balanced Budget and Emergency Deficit Control Act of 1995.

SEC. 409. It shall not be in order in the House of Representatives or the Senate to consider any bill or joint resolution, or amendment thereto or conference report thereon, containing an emergency designation for purposes of section 251(b)(3)(D) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 or of section 11207 of the Balanced Budget and Emergency Deficit Control Act of 1995.

SEC. 410. It shall not be in order in the House of Representatives or the Senate to consider any bill or joint resolution, or amendment thereto or conference report thereon, containing an emergency designation for purposes of section 251(b)(3)(D) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 or of section 11207 of the Balanced Budget and Emergency Deficit Control Act of 1995.

SEC. 411. It shall not be in order in the House of Representatives or the Senate to consider any bill or joint resolution, or amendment thereto or conference report thereon, containing an emergency designation for purposes of section 251(b)(3)(D) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 or of section 11207 of the Balanced Budget and Emergency Deficit Control Act of 1995.

SEC. 412. It shall not be in order in the House of Representatives or the Senate to consider any bill or joint resolution, or amendment thereto or conference report thereon, containing an emergency designation for purposes of section 251(b)(3)(D) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 or of section 11207 of the Balanced Budget and Emergency Deficit Control Act of 1995.
SEC. 4902. ESTABLISHMENT OF SUBVENTION PROGRAM.

(a) ESTABLISHMENT REQUIRED.—The Secretary of Defense and the Secretary of Health and Human Services shall jointly establish a program to provide the Department of Defense with reimbursement, beginning October 1, 1997, in accordance with section 4903, from the medicare program to the Federal Hospital Insurance Trust Fund (allocated by the Secretary of Health and Human Services) for medicare-eligible covered military beneficiaries who enroll in the managed care option of the TRICARE program.

(b) VOLUNTARY ENROLLMENT.—For purposes of the subvention program, enrollment of medicare-eligible covered military beneficiaries in the managed care option of the TRICARE program shall be voluntary, except that the total number of medicare-eligible covered military beneficiaries shall be subject to the capacity and funding limitations specified in section 4903.

(c) EFFECT OF ENROLLMENT.—In the case of a medicare-eligible covered military beneficiary who enrolls in the managed care option of the TRICARE program, payments may not be made under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) or under the subvention program for health care services provided through the managed care option, except that the Secretaries may provide exceptions for emergencies or other situations as the Secretaries consider appropriate.

(d) TRICARE PROGRAM ENROLLMENT FEE WAIVER.—The Secretary of Defense shall waive the enrollment fee applicable to any medicare-eligible covered military beneficiary enrolled in the managed care option of the TRICARE program for whom reimbursement may be made under section 4903.

(e) MODIFICATION OF TRICARE CONTRACTS.—In carrying out the subvention program, the Secretaries of Defense and Health and Human Services may modify TRICARE contracts to provide that medicare-eligible covered military beneficiaries who enroll in the managed care option of the TRICARE program for whom reimbursement may be made under section 4903.

(f) COST SHARING.—The Secretary of Defense may establish cost sharing requirements under this program for medicare-eligible covered military beneficiaries who enroll in the managed care option of the TRICARE program and for whom reimbursement may be made under section 4903.

(g) EXPANSION OF SUBVENTION PROGRAM.—The Secretaries may expand the subvention program to incorporate health care services provided to medicare-eligible covered military beneficiaries provided under the fee-for-service options of the TRICARE program if, in the report submitted under section 713 of the National Defense Authorization Act for Fiscal Year 2002, the Budget for Fiscal Year 2002, and the Budget for Fiscal Year 2003, the Secretaries determined that such expansion is feasible and advisable.

SEC. 4903. DETERMINATION OF REIMBURSEMENT.

(a) REIMBURSEMENT OF DEPARTMENT OF DEFENSE.—

(1) BASIS OF PAYMENTS.—Beginning October 1, 1997, monthly payments to the Department of Defense under the subvention program shall be made from the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) on the basis that payments are made under section 1876(a) of the such Act (42 U.S.C. 1395mm(a)).

(2) AMOUNT OF PAYMENTS.—The Secretary of Health and Human Services shall make payments to the Department of Defense from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund (allocated by the Secretary of Health and Human Services and the Secretary of Defense) to provide the Department of Defense with reimbursement, beginning October 1, 1997, in accordance with section 4903, in excess of the medicare-eligible covered military beneficiary enrolled in the managed care option of the TRICARE program in excess of the number of such beneficiaries calculated under subsection (b) for the Department of Defense maintenance of health care effort.

(b) MAINTENANCE OF DEFENSE HEALTH CARE EFFORT.

(1) MAINTENANCE OF EFFORT REQUIRED.—The Secretary of Defense shall maintain the Department of Defense health care efforts for medicare-eligible covered military beneficiaries so as to avoid imposing on the medicare program those costs that the Department of Defense would be expected to incur to provide health care services to medicare-eligible covered military beneficiaries in the absence of the subvention program.

(2) ESTIMATE OF PRIOR EFFORT.—For the first fiscal year of the subvention program, the Secretaries shall estimate the amount expended by the Department of Defense for fiscal year 1997 for providing health care items and services (other than pharmaceuticals) to medicare-eligible covered military beneficiaries. For subsequent fiscal years, the amount so estimated shall be adjusted for inflation, for differences between estimated and actual amounts expended, and for changes in the Department of Defense health care budget that exceed $100,000,000.

(3) TARGET FOR DEFENSE EFFORT.—On the basis of the estimate made under paragraph (2), the Secretaries shall establish monthly targets of the number of medicare-eligible covered military beneficiaries for whom reimbursement will not be provided to the Department of Defense under subsection (a).

(c) PROTECTION OF MEDICARE PROGRAM AGAINST INCREASED COSTS.—

(1) PURPOSE.—The purpose of this subsection is to protect the medicare program against costs incurred under subsection (a) in connection with the provision of health care services by the Department of Defense under subsection (a). The Secretaries shall establish monthly targets of the number of medicare-eligible covered military beneficiaries that would not have been incurred by the medicare program in the absence of the reimbursement requirement.

(2) REVIEW BY COMPTROLLER GENERAL.—Not later than December 31 of each year, the Comptroller General shall determine and submit to the Secretaries and Congress a report on the extent, if any, to which the costs of the Department of Defense under the TRICARE program and the costs of the Secretary of Health and Human Services under the medicare program have increased as a result of the subvention program.

(3) ACTIONS TO PREVENT INCREASED COSTS.—If the Secretaries determine that the trust funds under title XVII or the Social Security Act (42 U.S.C. 1395 et seq.) still incur excess costs as a result of the subvention program, the Secretaries shall take such steps as may be appropriate to offset the excess costs (and prevent future excess costs), including suspension or termination of the subvention program, adjustment of the payments made under section 4902(b), or an adjustment of the maintenance of effort requirements of the Department of Defense under subsection (b).

AMENDMENT TO H.R.—AS REPORTED, OFFERED BY MR. NADLER OF NEW YORK


In section 3461(a)(2), in the paragraph (b)(4)(A) inserted by such section, by inserting before the paragraph the following: ‘‘plus the average number of low-income children who have such coverage in the fiscal year, as estimated by the Secretary, only pursuant to a State-funded health coverage program or pursuant to an optional expansion of coverage under the State’s medicaid plan under title XIX’’.ALIENS—With respect to the program specified in paragraph (3), ‘‘aliens’’ includes any alien lawfully admitted for permanent residence or
had otherwise obtained an immigration status included in the definition of ‘qualified alien’ under section 431(b).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective following the date of the enactment of this Act.

SEC. 9302. EXEMPTION FROM 5-YEAR EXCEPTIONS FOR REFUGEES AND CERTAIN OTHER QUALIFIED ALIENS FROM ELIGIBILITY FOR SSI AND MEDICAID.

(a) SSI.—Section 402(a)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended—

(1) by striking: 'or' at the end of clause (ii), and inserting ‘or’; and

(2) by striking the period at the end of clause (iii) and inserting ‘: or’;

(b) MEDICAID.—Section 402(b)(2)(A) of such Act is amended—

(1) by striking: ‘and’ at the end of clause (i), and inserting ‘and’; and

(2) by striking: ‘and’ at the end of clause (ii), and inserting ‘and’;

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as though they had been included in the enactment of section 402 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

SEC. 9303. EXEMPTIONS FROM RESTRICTIONS ON SUPPLEMENTAL SECURITY INCOME PROGRAM PARTICIPATION BY PERMANENT RESIDENT ALIENS WHO ARE MEMBERS OF AN INDIAN TRIBE.

(a) IN GENERAL.—

(1) SPECIAL RESTRICTION APPLICABLE TO SSI.—Section 402(a)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (C) the following new subparagraph:

‘(D) any alien who is a member of an Indian tribe, as defined in section 4(e) of the Indian Self-Determination and Education Act (25 U.S.C. 460k–1)’;

(2) FIVE-YEAR RESTRICTION APPLICABLE TO NEW ENTRANTS.—Section 403(b) of such Act is amended by adding at the end the following new proviso:

‘(3) SSI EXCEPTION FOR PERMANENT RESIDENT ALIENS WHO ARE MEMBERS OF AN INDIAN TRIBE.—An alien described in section 402(a)(2)(E), but only with respect to paragraph (1) of subsection (a), shall not apply to any alien who is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act and who is a member of an Indian tribe (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 460k–1));’

(b) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) of subsection (a) shall take effect as though they had been included in the enactment of sections 402 and 403, respectively, of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

SEC. 9304. EXEMPTION FROM RESTRICTION ON SUPPLEMENTAL SECURITY INCOME PROGRAM PARTICIPATION BY CERTAIN RECIPIENTS ELIGIBLE ON THE BASIS OF VERY OLD APPLICATIONS.

(a) IN GENERAL.—Section 402(a)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended—

(1) by redesignating subparagraph (A) as subparagraph (B) and by inserting after subparagraph (B) the following new subparagraph:

‘(C) any individual who has been determined by the Commissioner to be blind or disabled on the basis of an application filed before January 1, 1979, and who is willing and able to perform such function, if the Commissioner determines that such individual is an alien who—

(i) has been determined to be blind or disabled by the Commissioner;

(ii) is a qualified alien (as defined in section 431 of the Social Security Act); and

(iii) is a qualified alien with respect to whom the Commissioner has not formerly determined that such individual is not entitled to, or is not eligible to receive, Social Security disability benefits under section 1614(a)(1) or section 1614(a)(2);’;

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as though they had been included in the enactment of section 402 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

SEC. 9305. EXCLUSION OF DEADLINES FOR SSI REDETERMINATION PROVISIONS.

(a) IN GENERAL.—Section 402(a)(2)(C)(i) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (as redesignated by section 9301(a) of this Act) is amended—

(1) by striking ‘the date at which an application is filed after July 1996’ and inserting ‘the date at which such determination is made’;

(2) by inserting ‘or’, in the case of the date of the enactment of such Act, after ‘1996’;

(3) by striking the period at the end of clause (i) and inserting ‘: or’;

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as though they had been included in the enactment of section 402 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

SEC. 9306. REALLOCATION OF DISABILITY DETERMINATION WORKLOADS RELATING TO ALIENS.

In any State making disability determinations in accordance with section 221 of the Social Security Act, the Commissioner of Social Security may, notwithstanding the provisions of such section specifying the circumstances under which the Commissioner shall make determinations respecting blindness or disability contained in clause (i) of section 1614(a)(2) of such Act (or section 1614(a)(3)), shall be presumed to be blind or disabled within the meaning of section 1614(a)(2) or section 1614(a)(3), respectively, of the Social Security Act.

SEC. 9308. RELIANCE ON INFORMATION FROM OTHER AGENCIES.

(a) RELIANCE.—Notwithstanding any other provision of law, in determining whether a qualified alien (as defined in section 431 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) meets the requirements respecting blindness or disability contained in clause (i) of section 1614(a)(2) of such Act (as added by section 9301(a) of this Act), the Commissioner of Social Security may rely on information from a State or Federal agency respecting the medical condition of such individual in any case where such information indicates to the Commissioner's satisfaction that such individual is blind or disabled within the meaning of section 1614(a)(2) or section 1614(a)(3), respectively, of the Social Security Act.

(b) PROVISION OF INFORMATION.—Withholding any other provision of law, any agency of the immigration service established by section 6103 of the Internal Revenue Code of 1986, the Department of Health and Human Services, the Immigration and Naturalization Service, any State or Federal agency, or any other governmental agency may disclose to the Social Security Administration information respecting the medical condition of an individual that the Commissioner of Social Security requests for the purpose of making the determination described in subsection (a).

(c) TEMPORARY EXEMPTION FROM COMPUTER MATCHING REQUIREMENTS.—The provisions of subsections (d)(2), (o), (q), and (u) of section 6501 of title 5, United States Code, shall not apply to any computer matching program conducted during the one-year period following the date of the enactment of [INSERT SHORT TITLE OF AMENDMENT] for the purpose of making the determinations described in subsection (a).

SEC. 9309. TREATMENT OF CERTAIN AMERICAN ASIA/ASIAN ALIENS.

(a) AMENDMENTS TO EXCEPTIONS FOR REFUGEES/ASylees.—

(1) FOR PURPOSES OF SSI AND FOOD STAMPS.—Section 402(a)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended—

(A) by striking ‘or’ at the end of clause (i);

(B) by striking ‘or’ at the end of clause (ii); and

(C) by striking ‘or’ at the end of clause (iii);
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(C) by adding after clause (ii) the following new clause:

"(iv) an alien is admitted to the United States as an Amerasian immigrant pursuant to section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, as incorporated into section 101(e) of the JOINT resolution making further continuing appropriations for the fiscal year 1989, as incorporated into section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, Public Law 101-513.".

(2) FOR PURPOSES OF TANF, SSBC, AND MEDICAID.—Section 402(b)(2)(A) of such Act is amended—

(A) by striking "or" at the end of clause (ii);

(b) by striking the period at the end of clause (iii) and inserting "; and"

(c) by adding after clause (ii) the following new clause:

"(iv) an alien is admitted to the United States by the 9th proviso under Migration and Refugee Assistance Act of 1966, as incorporated into section 584 of the JOINT resolution making further continuing appropriations for the fiscal year 1989, as incorporated into section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, Public Law 101-513.".

(3) FOR PURPOSES OF EXCEPTION FROM 5-YEAR ELIGIBILITY OF QUALIFIED ALIENS.—Section 403(b)(1) of such Act is amended by adding after subparagraph (C) the following new subparagraph:

"(D) An alien described in section 402(a)(2)(A)(iv) until 5 years (or 7 years, in the case of an alien described in paragraph (3)(C) after the date of such alien's entry into the United States.)

(4) FOR PURPOSES OF CERTAIN STATE PROGRAMS.—Section 412(b)(1) of such Act is amended by adding after subparagraph (C) the following new subparagraph:

"(D) An alien described in section 402(a)(2)(A)(iv)."

(5) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to periods beginning on or after October 1, 1997.

SEC. 9310. 5-YEAR LIMITED ELIGIBILITY FOR MEDICAID TESTED PUBLIC BENEFITS SPECIAL RULE FOR CUBAN AND HAITIAN ENTRANTS.

(a) CONSIDERATION OF REFEREE.—Section 403(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by striking "section 501(e)(2)" and inserting "section 501(e)(2)(A)."

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective with respect to periods beginning on or after October 1, 1997.

AMENDMENT TO H.R.—AS REPORTED, OFFERED BY MR. LEVIN OF MICHIGAN

Strike sections 5004 and 9004, and redesignate succeeding sections and amend the table of contents accordingly.

AMENDMENT TO H.R.—AS REPORTED, OFFERED BY MR. LEVIN OF MICHIGAN

Strike section 5102, and redesignate succeeding sections and amend the table of contents accordingly.

AMENDMENT TO H.R.—AS REPORTED (RELATING TO RECONCILIATION), OFFERED BY MR. CONYERS OF MICHIGAN

In section 9004(a) (Committee on Ways and Means print), and in section 5004(a) (Education and Labor print) strike the close mark at the end of the section.

In section 407(J) of the Social Security Act, as amended by Section 9004(a) of the bill, and in section 407(b) of the Social Security Act, as amended by Section 5004(a) of the bill, add the following at the end:

"(5) RULE OF CONSTRUCTION.—Nothing in this title shall be construed to deny recipients of assistance engaging in work, work experience, or community service under this title protection under title VII of the Civil Rights Act of 1964."

AMENDMENT TO H.R.—AS REPORTED, OFFERED BY MR. CONYERS OF MICHIGAN (MALPRACTICE)

Strike sections 4801 through 4812 (Committee on Ways and Means print) (and conform the table of contents), and amend the table of contents accordingly.

AMENDMENT OFFERED BY REPRESENTATIVE AMERICA'S REPRESENTATIVE FROM NEW YORK TO RECONCILE PROVISIONS

Strike sections 5301 through 5307 of subtitle D of title V.

AMENDMENT OFFERED BY MR. WAXMAN TO THE MEDICAID RECONCILIATION PROVISIONS

At the end of the text, add the following new chapter:

CHAPTER 4—EXTENSION OF PREMIUM PROTECTION FOR LOW-INCOME MEDICARE BENEFICIARIES

SEC. 3481. EXTENSION OF SLMB PROTECTION.

(a) IN GENERAL.—Section 1902(a)(10)(E)(iii) (42 U.S.C. 1396a(a)(10)(E)(iii)) is amended by striking "section 501(e)(2)" and inserting "section 501(e)(2)(A),". "(b) The prospective effective date of such amendment is October 1, 1997.

AMENDMENT OFFERED BY REPRESENTATIVE ROUKEMA AND REPRESENTATIVE POWERY

Strike sections 5301 through 5307 of subtitle D of title V.

AMENDMENT OFFERED BY MR. WAXMAN TO THE MEDICAID RECONCILIATION PROVISIONS

At the end of the text, add the following new chapter:

CHAPTER 4—EXTENSION OF PREMIUM PROTECTION FOR LOW-INCOME MEDICARE BENEFICIARIES

SEC. 3481. EXTENSION OF SLMB PROTECTION.

(a) IN GENERAL.—Section 1902(a)(10)(E)(iii) (42 U.S.C. 1396a(a)(10)(E)(iii)) is amended by striking "section 501(e)(2)" and inserting "section 501(e)(2)(A),". "(b) The prospective effective date of such amendment is October 1, 1997.

SEC. 10314. LIABILITY OF PHYSICIANS IN SPECIFIC SITUATIONS.

(a) IN GENERAL.—The Federal Employers Liability Act (45 U.S.C. 51 et seq.) is amended by striking "1902(a)(2)(A)(iv) until 5 years (or 7 years, in the case of the 9th proviso under Migration and Refugee Assistance Act of 1966, as incorporated into section 584 of the JOINT resolution making further continuing appropriations for the fiscal year 1989, as incorporated into section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, Public Law 101-513.".

(b) RULE OF CONSTRUCTION.—Nothing in this title shall be construed to deny recipients of assistance engaging in work, work experience, or community service under this title protection under title VII of the Civil Rights Act of 1964."

AMENDMENT TO H.R.—AS REPORTED, OFFERED BY MRS. THURMAN OF FLORIDA (Amendment to Medicare Reconciliation Provisions)

At the end of section 1128 of title X (relating to Anti-Fraud and Abuse Provisions), add the following (and conform the table of contents of such title accordingly):

SEC. 10311. EXTENSION OF SUBPOENA AND INJUNCTION AUTHORITY.

(a) SUBPOENA AUTHORITY.—Section 1128A(j)(1) (42 U.S.C. 1320a-7a(j)(1)) is amended by inserting "and section 1128" after "with respect to this section".

(b) INJUNCTION AUTHORITY.—Section 1128A(k) (42 U.S.C. 1320a-7a(k)) is amended by inserting "or an exclusion under section 1128", as amended by Section 9004(a) of the bill, "or a civil monetary penalty under this section."

(c) CLARIFYING AMENDMENTS.—Section 1128A(j) (42 U.S.C. 1320a-7a(j)) is amended—

(1) in paragraph (1), by inserting "except that, in so applying such sections, any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary of Health and Human Services, respectively" after "with respect to title II";

(2) by striking the second sentence; and

(3) in paragraph (2), to read as follows:

"(2) The Secretary may delegate to the Inspector General of the Department of Health and Human Services any or all authority under this section or section 1128."

(d) CONFORMING AMENDMENT.—Section 1128 (42 U.S.C. 1320a-7) is amended by adding at the end the following new subsection:

"(g) REFEREE TO LAWS DIRECTLY AFFECTING THIS SECTION.—For provisions of law concerning the Secretary's subpoena and injunction authority under this section, see section 1128A(j) and (k)."

SEC. 10312. KICKBACK PENALTIES FOR KNOWING VIOLATIONS.

Section 1128B(b) (42 U.S.C. 1320a-7b(b)) is amended by striking "and willfully" each place it occurs.

SEC. 10313. ELIMINATION OF EXCEPTION OF FEDERAL EMPLOYERS LIABILITY BENEFITS PROGRAM FROM DEFINITION OF FEDERAL HEALTH CARE PROGRAM.

Section 1128B(f)(1) (42 U.S.C. 1320a-7b(f)(1)) is amended by striking "(other than the health insurance program under chapter 95 of title 5, United States Code)"

SEC. 10314. LIABILITIES OF HOSPITALS IN SPECIALLY HOSPITALS.

Section 1867(d)(1)(B) (42 U.S.C. 1395dd(d)(1)(B)) is amended—

(1) by inserting "or a physician working at or on-call at a hospital that is subject to the requirements of subsection (g)," after "physician-on-call for the care of such an individual."

(2) by striking "or" at the end of clause (i); and

(3) by adding after clause (ii) the following new clauses:

"(iii) fails or refuses to appear within a reasonable time at a hospital subject to the requirements of subsection (g) in order to provide an appropriate medical screening examination as required by subsection (a), or
necessary stabilizing treatment as required by subsection (b), or

"(‘‘(v) fails or refuses to accept an appropriate transfer of a patient to a hospital that has been called designated as or facilities as defined in subsection (g).’‘)

SEC. 10315. EXPANSION OF CRIMINAL PENALTIES FOR KICKBACKS.

(a) APPLICATION OF CRIMINAL PENALTY AUTHORITY.--Section 1128B(b) (42 U.S.C. 1320a-7b(b)) is amended by striking "Federal health care program" each place it appears and inserting "health care benefit program".

(b) APPLICABILITY OF AUTHORITY TO SEEK CIVIL PENALTIES.--Section 1128B (42 U.S.C. 1320a-7b) is further amended by adding at the end the following new subsection:

"(g)(1) The Attorney General may bring an action in the district courts to impose upon any person who carries out any activity in violation of this section with respect to a Federal health care program a civil penalty of $25,000 to $50,000 for each such violation, and damages of three times the total remuneration offered, paid, solicited, or received.

(2) A violation exists under paragraph (1) if one or more purposes of the remuneration is unlawful, and the damages shall be the full amount of such remuneration.

(3) The procedures for actions under paragraph (1) with regard to subpoenas, statute of limitations, proof, and collateral estoppel shall be governed by 31 U.S.C. 3731, and the Federal Rules of Civil Procedure shall apply to actions brought under this subsection.

(4) This provision does not affect the availability of other criminal and civil remedies for such violations.

(c) ATTORNEY GENERAL'S INSUCTION AUTHORITY.--Section 1128B (42 U.S.C. 1320a-7b) is further amended by adding at the end the following new subsection:

"(b) If the Attorney General has reason to believe that a person is engaging in conduct constituting an offense under subsection (b) or (g), the Attorney General may petition an appropriate United States district court for an order prohibiting that person from engaging in such conduct. The court may issue an order prohibiting that person from engaging in such conduct if the court finds that the conduct constitutes such an offense. The filing of such petition under this section does not preclude the Attorney General or any other attorney which is available by law to the United States or any other person from bringing any other action or proceeding against such person.

(d) DEFINITION.--Section 1128B (42 U.S.C. 1320a-7b) is amended by redesigning paragraphs (1) and (2) as subparagraphs (A) and (B):

(1) by striking "(f)", and inserting "(f)"; and

(2) by striking "(b)" and inserting "(b)"; and

and by adding at the end the following new paragraph:

"(2) Purposes of this section, the term "health care benefit program" has the meaning given such term in 18 U.S.C. 24(b)."

SEC. 10317. REPEAL EXPANDED EXCEPTION FOR RISK-SHARING CONTRACTS TO ANTIKICKBACK PROVISIONS.

(a) Section 1128B (42 U.S.C. 1320a-7b(b)), as amended by section 218(a) of the Health Insurance Portability and Accountability Act of 1996, is amended--

(1) by adding "and" at the end of subparagraph (D):

(2) by striking "; and" at the end of subparagraph (E) and inserting a period; and

(3) by striking subparagraph (F)."

SEC. 10318. AMENDMENT OF THE FEDERAL FOOD, DRUGS AND COSMETICS ACT.

(a) ADMINISTRATIVE FEES FOR PROVIDERS UNDER PART A—Section 1115(d) (42 U.S.C. 1320a-7b) is amended--

(1) by striking subparagraph (F), and inserting "(1)" after "(d)"; and by adding at the end the following new paragraph:

(2) Except as provided in subparagraph (B), if the payment of the excess described in paragraph (1) is not made (or effected by offset) within 30 days of the date of the determination, an administrative fee of 1 percent of the outstanding balance of the excess (after application of any applicable credits) shall be paid to the Secretary by the provider or such lower amount as an Administrative Law Judge may determine upon an appeal of the initial determination of the excess, shall be imposed on such provider for deposit into the Trust Fund under this part.

(b) The administrative fee shall be imposed under subparagraph (A) on a provider whose principal base period of service is the period during which the provider's cost report with respect to the payment determined to be in excess of the payment due under this part indicates that the provider's projected costs exceeded its actual costs by 30 percent or more.

(c) ADMINISTRATIVE FEES FOR PROVIDERS OF SERVICES OR OTHER PERSONS UNDER PART A—Section 1151(d) (42 U.S.C. 1320a-7b) is amended by inserting "(1)" after "(d)" and by adding at the end the following new paragraph:

(1) If the excess described in paragraph (1) is not made (or effected by offset) within 30 days of the date of the determination, an administrative fee of 1 percent of the outstanding balance of the excess (after application of any applicable credits) shall be paid to the Secretary by the provider or such lower amount as an Administrative Law Judge may determine upon an appeal of the initial determination of the excess, shall be imposed on such provider for deposit into the Trust Fund under this part.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to final determinations made on or after the date of enactment of this Act.

SEC. 10319. AUTOMATED PREPAYMENT SCREENING REQUIREMENT.

(a) DETERMINATION BY ADMINISTRATOR.—By September 1 of each year (beginning with 1998), the Administrator of the Health Care Financing Administration, with consultation with the Comptroller General of the United States, shall determine--

(1) the medical diagnoses by providers of services under the Social Security Act which frequently result in overpayments to such providers under such title; and

(2) the percentage of claims involving the diagnoses described in paragraph (1), that fiscal intermediaries and carriers shall screen before payment is made in order to avoid such overpayments.

(b) REPORT OF FISCAL INTERMEDIARIES AND CARRIERS.—The Secretary of Health and Human Services shall not enter into a contract with a fiscal intermediary under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) unless the Secretary finds that such intermediary or carrier will screen the claims for payment, in accordance with subsection (a), under such title.

(c) NOTICE TO FISCAL INTERMEDIARIES AND CARRIERS.—The Secretary shall cause to have published in the Federal Register, in the last 15 days of October of each year, the results of the determination made under subsection (a).

AMENDMENT TO THE COMMITTEE PRINT OFFERED BY MR. BECERRA OF CALIFORNIA

The amendment of section 1021 of title IX (relating to restricting welfare and public benefits for aliens) is inserted after the following new section:

SEC. 10305. SSI ELIGIBILITY FOR CERTAIN DISABLED ALIENS.

(a) Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by inserting after subparagraph (F) and by section 9303 the following new subparagraph:

(1) SSI ELIGIBILITY FOR CERTAIN DISABLED ALIENS.—With respect to the program specified in paragraph (3) (A) (relating to the supplemental security income program), paragraph (1) shall not apply to a qualified alien--

(1) who is blind or disabled within the meaning of section 1616(a)(2) or 1614(a)(2), respectively, of the Social Security Act; and

(2) who on or before August 22, 1996, obtained a status within the meaning of the term ‘qualified alien’.

AMENDMENT OFFERED BY MR. PALLONE, MS. ESCHHO, AND MS. FURSE TO THE CHILD HEALTH RECONCILIATION PROVISIONS

Strike the entire text and insert the following:

Subtitle F—Child Health Insurance Initiative Act of 1997

SEC. 3500. SHORT TITLE OF SUBTITLE.

This subtitle may be cited as the "Child Health Insurance Initiative Act of 1997".

CHAPTER 1—IMPROVED OUTREACH

SEC. 3501. GRANT PROGRAM TO PROMOTE OUTREACH EFFORTS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each fiscal year beginning with fiscal year 1998 to carry out this section $25,000,000 for grants to States, localities, and nonprofit entities to promote outreach efforts to enroll eligible children under the medical assistance program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) and related programs.

(b) USE OF FUNDS.—Funds under this section shall be used to reimburse States, localities, and nonprofit entities for additional training and administrative costs associated with outreach activities. Such activities include the following:

(1) USE OF A COMMON APPLICATION FORM FOR FEDERAL CHILD ASSISTANCE PROGRAMS.—Implementing use of a single application form (established by the Secretary of Health and Human Services) for medicaid and related programs under subsections (a) and (b) of section 1396 note of title XIX, to determine the eligibility of a child or the child’s family (as applicable) for assistance or benefits under the medicaid program and under other Federal child assistance programs (such as the Food Stamp Program under part A of title IV of the Social Security Act (42 U.S.C. 670 et seq.) and section 433(c) of the Omnibus Budget Reconciliation Act of 1989 (42 U.S.C. 7001(c); 1396a note)); and

(2) EXPANDING OUTSTATIONING OF ELIGIBILITY PERSONNEL.—Providing for the stationing of eligibility workers at sites, such
as hospitals and health clinics, at which chil-
dren receive health care or related services.
(c) APPLICATION, ETC.—Funding shall be
made available under this section only upon
the age required by application by a State, lo-
cality, or nonprofit entity for such funding and
only upon such terms and conditions as the
Secretary specifies.
(d) ADMINISTRATIVE.—The Secretary may
grant the program under this section through
the identifiable administrative unit designated
under section 509(a) of the Social Security Act
(42 U.S.C. 708(a)) to pro-
mote and expand medicaid and child health activities and other child
health related activities.

CHAPTER 2—STRENGTHENING MEDICAID

SEC. 3521. STATE OPTION OF CONTINUOUS ELIGI-
BILITY FOR 12 MONTHS FOR CHIL-
DREN UNDER THE MEDICAID PRO-
GRAM

(a) In General.—Section 1902(e) of the So-
cial Security Act (42 U.S.C. 1396a(e)) is
amended by adding at the end the following
new paragraph:

"(f) the option of the State, the plan may provide that an individual who is under
an age specified by the State (not to exceed
19 years of age) and who is determined to be
eligible for benefits under a State medicaid
plan for a child health insurance program, or
other health insurance coverage, or other health
benefits for outreach and other activities in order to
promote coverage under such plans.

(2) CONSTRUCTION.—Nothing in this sub-
section shall be construed as conditioning
the Medики plan of a State to provide coverage
for all near poverty level children described
in paragraph (1) who are residing in the State.

(3) MEDICAID-EQUIVALENT BENEFITS.—

"(1) In General.—Subject to subsection (d),
a Medики program shall provide benefits to
children for the equivalent items and services
available (other than cost sharing) to chil-
dren under the State medicaid plan.

(2) PREMIUMS AND COST-SHARING.—A
Medики program may—

"(A) the end of a period (not to exceed 12
months following determination; or

"(B) the time that the individual exceeds
that age.

(b) EFFECTIVE DATE.—The amendment
made by subsection (a) applies to medical as-
"(or, at the option of a State, after any earlier date)" after "chil-

CHAPTER 3—MEDIUMS PROGRAM

SEC. 3531. STATE ENTITLEMENT FOR PAYMENT
FOR MEDIUMS PROGRAM

(a) In General.—Each State that has a
plan for a child health insurance program, or
Medики program, approved by the Sec-
retary is entitled to receive, from amounts in the Treasury not otherwise appropriated
and for each fiscal year beginning with fiscal
year 1998, payment of the amounts provided
under section 3533.

(b) APPLICATION.—The Secretary shall

(c) EFFECTIVE DATE.—Subject to subsection (d), a Medики program shall provide benefits to
eligible children for the equivalent items and
services available (other than cost sharing) to chil-
dren under the State medicaid plan.

(d) PREMIUMS AND COST-SHARING.—A
Medики program may—

"(1) require the payment of premiums as a condition for coverage, but only for a covered
child whose family income exceeds the poverty
line;

"(2) impose deductibles, coinsurance, copay-
ments, and other costs of services for which medical assistance is
available (other than cost sharing) to chil-
dren under the State's medicaid plan.

(2) CONSTRUCTION.—Nothing in this sub-
section shall be construed as limiting the
method under which a Medики plan may provide benefits, including through purchase of
health insurance coverage, direct payment for
covered services, or otherwise.

"(d) Waiver.—Subject to subsection (d), a
Medики program shall not pay to a State under subsection (c) in a fiscal year the amount of its allotment in any fiscal year under this subsection, the Secretary's estimate of the number of
near poverty level children in the State as a
proportion of the total of such numbers for
all the qualifying States.

SEC. 3532. REQUIREMENTS FOR APPROVAL OF
MEDIUMS PROGRAM.

(a) ADEQUATE MEDICAID COVERAGE.—The
medicaid requirements of this subsection are the
following:

(1) COVERAGE OF PREGNANT WOMEN AND
CHILDREN AND INFANTS UP TO 19 PERCENT
OF POVERTY LINE.—Subject to section 1315 of
the Social Security Act (42 U.S.C. 1396a(l)(2) (A)).

(2) COVERAGE OF CHILDREN UP TO 19 YEARS
OF AGE.—The State provides, either through
exercise of the option under section 1902(c)(1)(D) of such Act (42 U.S.C. 1396a(l)(1)(D)) or authority under section 1902(r)(2) of such Act (42 U.S.C. 1396a(r)(2)) for
coverage under such plans of children under
19 years of age.

(3) MAINTENANCE OF EFFORT.—(A) In
General.—Subject to subparagraph (B), the State—

"(i) has not modified the eligibility require-
ments for children under the State medicaid
plan, as in effect on January 1, 1997, in any
manner that would have the effect of reduc-
ving such eligibility for coverage under such
plans.

"(ii) will use the funds provided under this
chapter to supplement and not supplant
other Federal and State funds.

(B) WAIVER EXCEPTION.—Subparagraph (A)
shall not apply to modifications made pursu-
ant to an application for a waiver under sec-

(2) COVERAGE OF UNINSURED CHILDREN.—

(a) GENERAL.—A Medики program shall
not provide medicaid coverage for children who are otherwise covered for such benefits under a medicaid plan or under a group health plan, health insurance coverage, or other health
benefits for outreach and other activities in order to
promote coverage under such plans.

(3) CONSTRUCTION.—Nothing in this sub-
section shall be construed as requiring a
Medики plan of a State to provide coverage
for all near poverty level children described
in paragraph (1) who are residing in the State.

(b) MEDICAID-EQUIVALENT BENEFITS.—

"(1) In General.—Subject to subsection (d),
a Medики program shall provide benefits to
eligible children for the equivalent items and
services available (other than cost sharing) to chil-
dren under the State medicaid plan.

(2) Application.—The Secretary shall es-

"(or, at the option of a State, after any earlier date) after "chil-

CHAPTER 4—ASSURING CHILDREN'S
ACCESS TO HEALTH INSURANCE

SEC. 3441. GUARANTEED AVAILABILITY OF
INDIVIDUAL HEALTH INSURANCE
COVERAGE TO UNINSURED CHILDREN.

(a) In General.—Title XXVII of the Public
Health Service Act, as added by section 111(a) of the Health Insurance Portability
and Accountability Act of 1996, is amended by
inserting after section 2741 the following
new section:

"SEC. 2741A. GUARANTEED AVAILABILITY OF IN-
DIVIDUAL HEALTH INSURANCE
COVERAGE TO UNINSURED CHILDREN.

(a) In General.—Subject to the succeed-

subsections of this section, each health insurance issuer that offers health insurance
coverage (as defined in section 2791(b)(1)) in
the individual market in a State, in the case of
an eligible child (as defined in subsection (b)) desires to enroll in individual health
insurance coverage, may not decline to offer such
coverage, in any form, to such child.

(b) APPLICATION.—Subject to the succeed-

subsections of this section, each health insurance issuer that offers health insurance
coverage (as defined in section 2791(b)(1)) in
the individual market in a State, in the case of
an eligible child (as defined in subsection (b)) desires to enroll in individual health
insurance coverage, may not decline to offer such
coverage, in any form, to such child.

(c) EFFECTIVE DATE.—The amendment
made by this section applies to each policy
year beginning on or after January 1, 1998.
"(C) shall provide that the premium for the coverage is determined in a manner so that the ratio of the premium for such eligible children to the premium for eligible individuals described in section 2741(b) does not exceed the ratio of the actuarial value of such coverage (calculated based on a standardized population and a set of standardized utilization and cost factors) for children to such actuarial value for such coverage for eligible individuals.

"(2) SUBSTITUTION BY STATE OF ACCEPTABLE ALTERNATIVE MECHANISM.—The requirement of paragraph (1) shall not apply to health insurance coverage offered in the individual market in a State in which the State is implementing an acceptable alternative mechanism under section 2741(b).

"(b) ELIGIBLE CHILD DEFINED.—In this paragraph, the term 'eligible child' means an individual born after September 30, 1983, who has not attained 19 years of age and—

"(I) is a citizen or national of the United States, an alien lawfully admitted for permanent residence, or an alien otherwise permanently residing in the United States under color of law;

"(2) who is not eligible for coverage under (A) a group health plan, (B) part A or part B of title XVIII of the Social Security Act, or (C) a group health plan under a federal employee health benefit program (or any successor program), and does not have other health insurance coverage; and

"(3) with respect to whom the most recent coverage, if any, within the 1-year period ending on the date coverage is sought under this section, was not terminated based on a factor described in paragraph (1) or (2) of section 2712(b) (relating to nonpayment of premium or enrollment with fraud).

"For purposes of paragraph (2)(A), the term 'group health plan' does not include COBRA continuation coverage.

"INCORPORATION OF CERTAIN PROVISIONS.—

"(I) IN GENERAL.—Subject to paragraph (2), the provisions of subsections (c), (d), (e) and (f) (other than paragraph (1)) of section 2741 and section 2744 shall apply in relation to eligible children under subsection (a) in the same manner as they apply in relation to eligible individuals described in section 2741(b).

"(2) SPECIAL RULES FOR ACCEPTABLE ALTERNATIVE MECHANISMS.—With respect to applying section 2744 under paragraph (1)—

"(A) the requirement in subsection (a)(1)(B) shall be applied instead of the requirement of section 2744(a)(1)(B);

"(B) the requirement in subsection (a)(1)(C) shall be applied instead of the requirement of section 2744(a)(1)(C);

"(C) any deadline specified in such section shall be 1 year after the deadline otherwise specified.

"(3) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to fiscal years beginning with fiscal year 1998.

Mr. SOLOMON. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I smell a cop-out. I hear Members standing up here finding all kinds of excuses to vote against this rule because it does not have any enforcement procedures. Let me show you my colleagues something.

Here are thousands of pages of cuts, $182 billion in cuts that cost over the next 5 years, $700 billion in locked-in spending cuts. If you want some fiscal sanity around here, do what your President is asking us to do; he is calling your offices right now, saying support the rule, support the bill. Let us get together. A deal is a deal.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution. The SPEAKER pro tempore. The question is on ordering the previous question. The question was taken and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 222, nays 204, not voting 8, as follows:

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The SPEAKER pro tempore. Evidently a quorum is not present.

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Mr. GONZALEZ and Mr. ADAM SMITH of Washington changed their vote from "yea" to "nay.

Mr. GRAHAM changed his vote from "nay" to "yea."

So the previous question was ordered. The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.
BALANCED BUDGET ACT OF 1997

Mr. KASICH. Mr. Speaker, pursuant to House Resolution 174, I call up the bill (H.R. 2015) to provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. DREIER). Pursuant to House Resolution 174, the amendment printed in the CONGRESSIONAL RECORD numbered 1 is adopted.

The text of H.R. 2015, as amended, is as follows:

SECTION 1. SHORT TITLE.
This Act may be cited as the "Balanced Budget Act of 1997".

SEC. 2. TABLE OF CONTENTS.
Title I—Committee on Agriculture.
Title II—Committee on Banking and Financial Services.
Title III—Committee on Commerce—Nonmedicare.
Title IV—Committee on Commerce—Medicare.
Title V—Committee on Education and the Workforce.
Title VI—Committee on Government Reform and Oversight.
Title VII—Committee on Transportation and Infrastructure.
Title VIII—Committee on Veterans' Affairs.
Title IX—Committee on Ways and Means—Nonmedicare.
Title X—Committee on Ways and Means—Medicare.
Title XI—Budget Enforcement.

TITLE IV—COMMITTEE ON COMMERCE—MEDICARE

SEC. 4000. AMENDMENTS TO SOCIAL SECURITY ACT AND REFERENCES TO OBRA; TABLE OF CONTENTS OF TITLE.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(b) REFERENCES TO OBRA.—In this title, the terms "OBRA-1986", "OBRA-1987", "OBRA-1989", "OBRA-1990", and "OBRA-1993" refer to the Omnibus Budget Reconciliation Act of 1986 (Public Law 99-509), the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203), the Omnibus Budget
Reconciliation Act of 1989 (Public Law 101–239), the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508), and the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66), respectively.

(c) Table of Contents of Title.—The table of contents of this title is as follows:

Sec. 4001. Establishment of MedicarePlus program.

PART C—MEDICAREPLUS PROGRAM

Sec. 4011. Eligibility, election, and enrollment.

Sec. 4012. Benefits and beneficiary protections.

Sec. 4013. Payments to MedicarePlus organizations.

Sec. 4014. Premiums.

Sec. 4015. Organizational and financial requirements for MedicarePlus organizations; provider-sponsored organizations.

Sec. 4016. Establishment of standards.

Sec. 4017. Contracts with MedicarePlus organizations.

Sec. 4018. Definitions; miscellaneous provisions.

Sec. 4019. Transitional rules for current medicare HMO program.

Sec. 4020. Conforming changes in medigap program.

SUBCHAPTER B—SPECIAL RULES FOR MEDICAREPLUS MEDICAL SAVINGS ACCOUNTS

Sec. 4061. MedicarePlus MSA.

Sec. 4062. Graduate medical education and indirect medical education payments for medical care enrollees.

Sec. 4063. Disproportionate share hospital payments for managed care enrollees.

Chapter 2—INTEGRATED LONG-TERM CARE PROGRAMS

SUBCHAPTER A—PROGRAMS OF ALL-INCLUSIVE CARE FOR THE ELDERLY (PACE)

Sec. 4011. Reference to coverage of PACE under the medicare program.

Sec. 4012. Reference to establishment of PACE program as medicare State option.

SUBCHAPTER B—SOCIAL HEALTH MAINTENANCE ORGANIZATIONS (SHMOS)

Sec. 4015. Social health maintenance organizations (SHMOS).

SUBCHAPTER C—OTHER PROGRAMS

Sec. 4018. Orderly transition of municipal health service demonstration projects.

Sec. 4019. Extension of certain medicare community nursing organization demonstration projects.

Chapter 3—MEDICARE PAYMENT ADVISORY COMMISSION

Sec. 4021. Medicare Payment Advisory Commission.

Chapter 4—MEDICAP PROTECTIONS

Sec. 4031. Medigap protections.

Sec. 4032. Medicare prepaid competitive pricing demonstration project.

Subchapter B—Prevention Initiatives

Sec. 4011. Screening mammography.

Sec. 4012. Screening pap smear and pelvic exams.

Sec. 4013. Prostate cancer screening tests.

Sec. 4014. Coverage of colorectal screening.

Sec. 4015. Diabetes screening tests.

Sec. 4105. Standardization of medicare coverage of bone mass measurements.

Sec. 4107. Vaccines outreach expansion.

Sec. 4108. Study on preventive benefits.

Subtitle C—Rural Initiatives

Sec. 4206. Informatics, telemedicine, and education demonstration project.

Subtitle D—Anti-Fraud and Abuse Provisions

Sec. 4301. Permanent exclusion for those convicted of 3 health care related crimes.

Sec. 4302. Authority to refuse to enter into medicare agreements with individuals or entities convicted of felonies.

Sec. 4303. Inclusion of toll-free number to report medicare waste, fraud, and abuse in explanation of benefits forms.

Sec. 4304. Liability of medicare carriers and fiscal intermediaries for claims submitted by excluded providers.

Sec. 4305. Exclusion of entity controlled by family member of a sanctioned individual.

Sec. 4306. Imposition of civil money penalties.

Sec. 4307. Disclosure of information and surcharges.

Sec. 4308. Provision of certain identification numbers.

Sec. 4309. Advisory opinions regarding certain physician self-referral provisions.

Sec. 4310. Nondiscrimination in post-hospital referral to home health agencies.

Sec. 4311. Other fraud and abuse related provisions.

Subtitle E—Prospective Payment Systems

Chapter 2—PAYMENT UNDER PART B

SUBCHAPTER A—PAYMENT FOR HOSPITAL OUTPATIENT DEPARTMENT SERVICES

Sec. 4111. Elimination of formula-driven overpayments (FDO) for certain outpatient hospital services.

Sec. 4112. Extension of reductions in payments for costs of hospital outpatient services.

Sec. 4113. Prospective payment system for hospital outpatient department services.

SUBCHAPTER B—REHABILITATION SERVICES

Sec. 4211. Rehabilitation agencies and services.

Sec. 4221. Comprehensive outpatient rehabilitation facilities (CORF).

SUBCHAPTER C—AMBULANCE SERVICES

Sec. 4311. Payments for ambulance services.

Sec. 4321. Demonstration of coverage of ambulance services under medicare through contracts with units of local government.

Chapter 3—PAYMENT UNDER PARTS A AND B

Sec. 4411. Prospective payment for home health services.

Subtitle C—Provisions Relating to Part B Only

Chapter 1—PHYSICIANS' SERVICES


Sec. 4502. Establishing a factor to conversion factor to match spending under sustainable growth rate.

Sec. 4503. Replacement of volume performance standards with sustainable growth rate.

Sec. 4504. Payment rules for anesthesia services.

Sec. 4505. Implementation of resource-based physician practice expense.

Sec. 4506. Dissemination of Information on high per admission relative values for in-hospital physicians' services.

Sec. 4507. No X-ray required for chiropractic services.

Sec. 4508. Temporary coverage restoration for portable electrocardiogram transportation.

Chapter 2—OTHER PAYMENT PROVISIONS

Sec. 4611. Payments for durable medical equipment.

Sec. 4612. Oxygen and oxygen equipment.

Sec. 4613. Reduction in updates to payment amounts for clinical diagnostic laboratory tests.

Sec. 4614. Simplification in administration of laboratory services benefit.

Sec. 4615. Updates for ambulatory surgical care.

Sec. 4616. Reimbursement for drugs and biologicals.

Sec. 4617. Coverage of oral anti- nausea drugs under chemotherapeutic regimen.

Sec. 4618. Rural health clinic services.

Sec. 4619. Increased medicare reimbursement for nurse practitioners and clinical nurse specialists.

Sec. 4620. Increased medicare reimbursement for physician assistants.

Sec. 4621. Reimbursement for cochlear implants as customized durable medical equipment.

Chapter 3—PART B PREMIUM

Sec. 4701. Part B premium.

Subtitle H—Provisions Relating to Parts A and B

Chapter 1—PROVISIONS RELATING TO MEDICARE SECONDARY PAYER

Sec. 4701. Permanent extension and revision of certain secondary payer provisions.

Sec. 4702. Clarification of time and limiting exclusions.

Sec. 4703. Permitting recovery against third party administrators.

Chapter 2—HOME HEALTH SERVICES

Sec. 4711. Recapturing savings resulting from temporary freeze on payments increases for home health services.

Sec. 4712. Interim payments for home health services.

Sec. 4713. Clarification of part-time or intermittent nursing care.

Sec. 4714. Study of definition of homebound.

Sec. 4715. Payment based on location where home health service is furnished.

Sec. 4716. Normative standards for home health claims denials.

Sec. 4717. No home health benefits based solely on drawing blood.

Sec. 4718. Making part B primary payor for certain home health services.

Chapter 3—BABY BOOM GENERATION MEDICARE COMMISSION

Sec. 4721. Bipartisan Commission on the Effect of the Baby Boom Generation on the Medicare Program.

Chapter 4—PROVISIONS RELATING TO DIRECT GRADUATE MEDICAL EDUCATION

Sec. 4731. Limitation on payment based on number of residents and implementation of rolling average FTE count.

Sec. 4732. Phased-in limitation on hospital overhead and supervisory physician component of direct medical education costs.

Sec. 4733. Permitting payment to non-hospital providers.
Sec. 4734. Incentive payments under plans for voluntary reduction in number of residents.

Sec. 4735. Demonstration project on use of consortia.

Sec. 4736. Recommendations on long-term payment policies regarding financing teaching hospitals and graduate medical education.

Sec. 4737. Medicare special reimbursement rule for certain combined residency programs.

CHAPTER 5—OTHER PROVISIONS

Sec. 4741. Centers of excellence.

Sec. 4742. Medicare part B special enrollment period and waiver of part B late enrollment penalty and medigap special open enrollment period for certain military retirees and dependents.

Sec. 4743. Competitive bidding for certain items and services.

Subtitle I—Medical Liability Reform

CHAPTER 1—GENERAL PROVISIONS

Sec. 4801. Federal reform of health care liability actions.

Sec. 4802. Definitions.

Sec. 4803. Effective date.

CHAPTER 2—UNIFORM STANDARDS FOR HEALTH CARE LIABILITY ACTIONS

Sec. 4811. Statute of limitations.

Sec. 4812. Calculation and payment of damages.

Sec. 4813. Alternative dispute resolution.

Subtitle D—Anti-Fraud and Abuse Provisions
tion 1124(a)(1) (42 U.S.C. 1320a-3(c)(a)(1)) is amended by inserting before the period at the end the following: "and supply the Secretary with the both the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing entity, each person with an ownership or control interest (as defined in subsection (a)(3)), and any subcontractor in which the entity directly or indirectly has a 5 percent or more ownership interest. Use of the social security account number under this section shall be limited to identity verification and identity matching purposes only. The social security account number shall not be disclosed to any person or entity other than the Secretary, the Social Security Administration, or the Secretary of the Treasury, in obtaining the social security account numbers of the disclosing entity and other persons described in this section, the Secretary shall comply with section 7 of the Privacy Act of 1974 (5 U.S.C. 552a note)".

(b) OTHER MEDICARE PROVIDERS.—Section 1124A (42 U.S.C. 1320a-3a) is amended—
(1) in subsection (a)—
(A) by striking "and" at the end of paragraph (1);
(B) by striking the period at the end of paragraph (2) and inserting "; and"; and
(C) by adding at the end the following new paragraph:
"(3) including the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing part B provider and any person, managing employee, or other entity identified or described under paragraph (1) or (2)."

(2) in subsection (c) by inserting "(or, for purposes of subsection (a)(3), any entity receiving payment)" after "on an assignment-related basis".

(c) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION (SSA).—Section 1124A (42 U.S.C. 1320a-3a) is amended—
(1) by redesignating subsection (c) as subsection (d); and
(2) by inserting after subsection (b) the following new subsection:
"(c) VERIFICATION.—
"(1) TRANSMITTAL BY HHS.—The Secretary shall transmit—
"(A) to the Commissioner of Social Security information concerning each social security account number (assigned under section 205(c)(2)(B)), and
"(B) to the Secretary of the Treasury information concerning each employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986), supplied to the Secretary pursuant to subsection (a)(3) or section 1124(c) to the extent necessary for verification of such information in accordance with paragraph (2).

"(2) VERIFICATION.—The Commissioner of Social Security and the Secretary of the Treasury shall verify the accuracy of, or correct, the information supplied by the Secretary to such official pursuant to paragraph (1), and shall report such verifications or corrections to the Secretary.

"(3) FEES FOR VERIFICATION.—The Secretary shall reimburse the Commissioner and Secretary of the Treasury, at a rate negotiated between the Secretary and such official, for the costs incurred by such official in performing the verification and correction services described in this subsection.

(d) REPORT.—Before this subsection shall be effective, the Secretary of Health and Human Services shall submit to Congress a report on steps the Secretary has taken to assure the confidentiality of social security account numbers that will be provided to the Secretary under the amendments made by this section. If Congress determines that the Secretary has not taken adequate steps to assure the confidentiality of social security account numbers to be provided to the Secretary under the amendments made by this section, the amendments made by this section shall not take effect.

(e) EFFECTIVE DATES.—Subject to subsection (d)—
(1) the amendment made by subsection (a) shall apply to the application of conditions of participation, and entering into and renewal of contracts and agreements, occurring more than 90 days after the date of submission of the report under subsection (d); and
(2) the amendments made by subsection (b) shall apply to payment for items and services furnished more than 90 days after the date of submission of such report.
Sec. 9005. State option to take account of certain work activities of recipients with sufficient participation in work experience or community service programs.

Sec. 9006. Worker protections.

Sec. 9007. Penalty for failure of State to reduce assistance for recipients refusing without good cause to work.

Subtitle B—Supplemental Security Income
Sec. 9101. Requirement to perform childhood disability redeterminations in missed cases.

Sec. 9102. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.

Sec. 9103. Fees for Federal administration of State supplementary payments.

Subtitle C—Child Support Enforcement
Sec. 9201. Clarification of authority to permit certain redisclosures of wage and claim information.

Subtitle D—Restricting Welfare and Public Benefits for Aliens
Sec. 9301. Extension of eligibility period for refugees and certain other qualified aliens from 5 to 7 years for SSI and medicaid.

Sec. 9302. SSI eligibility for aliens receiving SSI on August 22, 1996.

Sec. 9303. SSI eligibility for permanent resident aliens who are members of an Indian tribe.

Sec. 9304. Verification of eligibility for State and local public benefits.

Sec. 9305. Derivative eligibility for benefits.

Sec. 9306. Effective date.

Subtitle E—Unemployment Compensation
Sec. 9401. Clarifying provision relating to base periods.

Sec. 9402. Increase in Federal unemployment account ceiling.

Sec. 9403. Special distribution to States from Unemployment Trust Fund.

Sec. 9404. Interest-free advances to State accounts in Unemployment Trust Fund restricted to States which meet funding goals.

Sec. 9405. Exemption of service performed by election workers from the Federal unemployment tax.

Sec. 9406. Treatment of certain services performed by inmates.

Sec. 9407. Exemption of service performed for an elementary or secondary school operated primarily for religious purposes from the Federal unemployment tax.

Sec. 9408. State program integrity activities for unemployment compensation.

Subtitle F—Increase in Public Debt Limit
Sec. 9501. Increase in public debt limit.
Subtitle B—Supplemental Security Income

SEC. 9101. REQUIREMENT TO PERFORM CHILDHOOD DISABILITY REDETERMINATIONS IN MISSED CASES.

Section 211(d)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (110 Stat. 2190) is amended—

(1) in subparagraph (A)—

(A) in the 1st sentence, by striking "1 year" and inserting "18 months"; and

(B) by inserting after the 1st sentence the following: "Any redetermination required by the preceding sentence that is not performed before the end of the period described in the preceding sentence shall be performed as soon as is practicable thereafter."; and

(2) in subparagraph (C), by adding at the end the following: "Before commencing a redetermination under the 2nd sentence of subparagraph (A), in any case in which the individual involved has not already been notified of the provisions of this paragraph, the Commissioner of Social Security shall notify the individual involved of the provisions of this paragraph."

SEC. 9102. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENTS APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS.

Section 1618 of the Social Security Act (42 U.S.C. 1382g) is repealed.

SEC. 9103. FEES FOR FEDERAL ADMINISTRATION OF STATE SUPPLEMENTARY PAYMENTS.

(a) FEE SCHEDULE.—

(i) OPTIONAL STATE SUPPLEMENTARY PAYMENTS.—

(A) IN GENERAL.—Section 1616(d)(2)(B) of the Social Security Act (42 U.S.C. 1382e(d)(2)(B)) is amended—

(i) by striking "and" at the end of clause (iii); and

(ii) by striking clause (iv) and inserting the following:

"(iv) for fiscal year 1997, $5.00;

(v) for fiscal year 1998, $6.20;

(vi) for fiscal year 1999, $7.60;

(vii) for fiscal year 2000, $7.80;

(viii) for fiscal year 2001, $8.10;

(ix) for fiscal year 2002, $8.50; and

(x) for fiscal year 2003 and each succeeding fiscal year—

(1) the applicable rate in the preceding fiscal year, increased by the percentage, if
any, by which the Consumer Price Index for the month of June of the calendar year of the increase in the Consumer Price Index for the month of June of the calendar year preceding the calendar year of the increase, and rounded to the nearest whole cent; or (ii) such different rate as the Commissioner determines is appropriate for the State.”.

(B) CONFORMING AMENDMENT.—Section 1616(d)(3)(C) of such Act (42 U.S.C. 1382e(d)(3)(C)) is amended by striking “(B)(iv)” and inserting “(B)(x)(ii)”.

(B) MANDATORY STATE SUPPLEMENTARY PAYMENTS.—(A) IN GENERAL.—Section 212(b)(3)(B)(ii) of Public Law 93–66 (42 U.S.C. 1382 note) is amended—

(i) by striking “and” at the end of subclause (III); and

(ii) by striking subclause (IV) and inserting the following:

“(IV) for fiscal year 1998, $6.20;”.

(2) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—From amounts credited pursuant to section 1616(d)(6)(B) of the Social Security Act and section 212(b)(3)(D)(ii) of Public Law 93–66 to the special fund established in the Treasury of the United States for State supplementary payment fees, there is authorized to be appropriated an amount not to exceed $35,000,000 for fiscal year 1998, and such sums as may be necessary for each fiscal year thereafter.

Subtitle C—Child Support Enforcement

SEC. 9901. CLARIFICATION OF AUTHORITY TO PERMIT CERTAIN REDISTRIBUTIONS OF WAGE AND CLAIM INFORMATION.

Section 303(b)(1)(C) of the Social Security Act (42 U.S.C. 1382a(b)(1)(C)) is amended by striking “section 453(i)(i)” in carrying out the child support enforcement program under title IV” and inserting “subsections (i)(1), (i)(3), and (j)”.

Subtitle D—Restricting Welfare and Public Benefits for Aliens

SEC. 9902. EXTENSION OF ELIGIBILITY PERIOD FOR REFUGEES AND CERTAIN OTHER IMMIGRANTS FROM 5 TO 7 YEARS FOR SSI AND MEDICAID.

(a) SSI.—Section 402(a)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A)) is amended to read as follows:

“(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASylees.—

(1) SSI.—With respect to the specified Federal program described in paragraph (3) a paragraph 1 shall not apply to an alien until 7 years after the date—

(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act; or

(II) an alien is granted asylum under section 208 of such Act; or

(III) an alien's deportation is withheld under section 243(h) of such Act.

(2) FOOD STAMPS.—With respect to the specified Federal program described in paragraph (3), subparagraph (B) shall not apply to an alien until 5 years after the date—

(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act; or

(II) an alien is granted asylum under section 208 of such Act; and

(III) an alien's deportation is withheld under section 243(h) of such Act.

(b) MEDICAID.—Section 402(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A)) is amended by adding the following new paragraph (1) (other than subparagraph (a)(3)):

“(1) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASylees.—

(1) MEDICAID.—With respect to the designated Federal program described in paragraph (3), paragraph 1 shall not apply to an alien until 7 years after the date—

(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act; or

(II) an alien is granted asylum under section 208 of such Act; or

(III) an alien's deportation is withheld under section 243(h) of such Act.

(2) OTHER DESIGNATED FEDERAL PROGRAMS.—With respect to the designated Federal programs under paragraph (3) (other than subparagraph (a)(3)), paragraph 1 shall not apply to an alien until 5 years after the date—

“(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act; or

“(II) an alien is granted asylum under section 208 of such Act; or

“(III) an alien's deportation is withheld under section 243(h) of such Act.”.

(C) CONFORMING AMENDMENTS.—Section 402(a)(2)(D) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(D)) is amended by adding after subparagraph (D) the following new subparagraph:

“(E) PERMANENT RESIDENT ALIENS WHO ARE MEMBERS OF AN INDIAN TRIBE.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph 1 shall not apply to an alien who—

(1) is a member of an Indian tribe (as defined in section 243(h) of such Act).
by adding after the item related to section 412 the following:

"Sec. 413. Authorization for verification of eligibility for state and local public benefits."

SEC. 9305. DERIVATIVE ELIGIBILITY FOR BENEFITS.

(a) IN GENERAL.—The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding after section 435 the following new section:

"SEC. 436. DERIVATIVE ELIGIBILITY FOR BENEFITS.

'(a) FOOD STAMPS.—Notwithstanding any other provision of law, an alien who under the provisions of this title is ineligible for benefits under the food stamp program (as defined in section 402(a)(3)(A)) shall not be eligible for such benefits because the alien receives benefits under the supplemental security income program (as defined in section 402(a)(3)(B)).

'(b) MEDICAID.—Notwithstanding any other provision of this title, an alien who under the provisions of this title is ineligible for benefits under the medicaid program (as defined in section 402(b)(3)(C)) shall be eligible for such benefits if the alien is receiving benefits under the supplemental security income program and title XIX of the Social Security Act provides for such derivative eligibility.

'(b) CLERICAL AMENDMENT.—Section 2 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding after the item related to section 435 the following:

"Sec. 436. Derivative eligibility for benefits."

SEC. 9306. EFFECTIVE DATE.

Except as otherwise provided, the amendments made by this subtitle shall be effective as if included in the enactment of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
CONGRESSIONAL RECORD — HOUSE

June 25, 1997

H4496

TITLE X—COMMITTEE ON WAYS AND MEANS—MEDICARE

SEC. 10000. AMENDMENTS TO SOCIAL SECURITY ACT AND REFERENCES TO OBRA: TABLE OF CONTENTS OF TITLE.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.


(c) TABLE OF CONTENTS OF TITLE.—The table of contents of this title is as follows:

Sec. 10000. Amendments to Social Security Act and references to OBRA: table of contents of title.

Subtitle A—MedicarePlus Program

CHAPTER 1—MEDICAREPLUS PROGRAM

Sec. 10001. Establishment of MedicarePlus program.

“PART C—MEDICAREPLUS PROGRAM

Sec. 1051. Eligibility, election, and enrollment.

Sec. 1052. Benefits and beneficiary protections.

Sec. 1053. Payments to MedicarePlus organizations.

Sec. 1054. Premiums.

Sec. 1055. Organizational and financial requirements for MedicarePlus organizations; provider-sponsored organizations; & Sec. 1056. Establishment of standards.

Sec. 1057. Contracts with MedicarePlus organizations.

Sec. 1058. Definitions; miscellaneous provisions.

Sec. 10002. Transitional rules for current medicare HMO program.

Sec. 10003. Conforming changes in medigap program.

SUBCHAPTER B—SPECIAL RULES FOR MEDICAREPLUS MEDICAL SAVINGS ACCOUNTS

Sec. 10006. Medical savings accounts.

CHAPTER 2—INTEGRATED LONG-TERM CARE PROGRAMS

Sec. 10011. Coverage of PACE under the medicare program.

Sec. 10012. Establishment of PACE program as medicare State option.

Sec. 10013. Effective date; transition.

Sec. 10014. Study and reports.

SUBCHAPTER B—SOCIAL HEALTH MAINTENANCE ORGANIZATIONS

Sec. 10015. Social health maintenance organizations (SHMOs).

SUBCHAPTER C—OTHER PROGRAMS

Sec. 10018. Orderly transition of municipal health service demonstration projects.

Sec. 10019. Extension of certain medicare community nursing organization demonstration projects.

CHAPTER 3—MEDICARE PAYMENT ADVISORY COMMISSION

Sec. 10021. Medicare Payment Advisory Commission.

CHAPTER 4—MEDICARE PROTECTIONS

Sec. 10031. Medigap protections.

Sec. 10032. Medicare prepaid competitive pricing demonstration project.

CHAPTER 5—TAX TREATMENT OF HOSPITALS PARTICIPATING IN PROVIDER-SUPPORTED ORGANIZATIONS

Sec. 10041. Tax treatment of hospitals which participate in provider-sponsored organizations.

Subtitle B—Prevention Initiatives

Sec. 10101. Screening mammography.

Sec. 10102. Screening pap smear and pelvic exam.

Sec. 10103. Prostate cancer screening tests.

Sec. 10104. Coverage of colorectal screening.

Sec. 10105. Diabetes screening tests.

Sec. 10106. Standardization of medicare coverage of bone mass measurements.

Sec. 10107. Vaccines outreach expansion.

Sec. 10108. Study on preventive benefits.

Subtitle C—Rural Initiatives

Sec. 10201. Rural primary care hospital program.

Sec. 10202. Prohibiting denial of request by rural referral centers for reclassification on basis of comparability of wages.

Sec. 10203. Hospital geographic reclassification program permitted for purposes of disproportionate share payment adjustments.

Sec. 10204. Medicare-dependent, small rural hospital payment extension.

Sec. 10205. Geographic reclassification for certain disproportionately large hospitals.

Sec. 10206. Floor on area wage index.

Sec. 10207. Informatics, telemedicine, and education demonstration project.

Subtitle D—Anti-Fraud and Abuse

Sec. 10301. Permanent exclusion of those convicted of 3 health care related crimes.

Sec. 10302. Authority to refuse to enter into medicare agreements with individuals or entities convicted of felonies.

Sec. 10303. Inclusion of toll-free number to report medicare waste, fraud, and abuse in explanation of benefits forms.

Sec. 10304. Liability of medicare carriers and fiscal intermediaries for claims submitted by excluded providers.

Sec. 10305. Exclusion of entity controlled by family member of a sanctioned individual.

Sec. 10306. Inclusion of civil money penalties.

Sec. 10307. Disclosure of information and surety bonds.

Sec. 10308. Provision of certain identification numbers.

Sec. 10309. Advisory opinions regarding certain physician self-referral provisions.

Sec. 10310. Other fraud and abuse related provisions.

Subtitle E—Prospective Payment Systems

CHAPTER 1—PAYMENT UNDER PART A

Sec. 10401. Prospective payment for skilled nursing facility services.

Sec. 10402. Prospective payment for inpatient rehabilitation hospital services.

CHAPTER 2—PAYMENT UNDER PART B

SUBCHAPTER A—PAYMENT FOR HOSPITAL OUTPATIENT DEPARTMENT SERVICES

Sec. 10411. Elimination of formula-driven overpayments (FDO) for certain outpatient department services.

Sec. 10412. Extension of reductions in payments for costs of hospital outpatient services.

Sec. 10413. Prospective payment system for hospital outpatient department services.

SUBCHAPTER B—REHABILITATION SERVICES

Sec. 10421. Rehabilitation agencies and services.

Sec. 10422. Comprehensive outpatient rehabilitation facilities (corf).

SUBCHAPTER C—AMBULANCE SERVICES

Sec. 10431. Payments for ambulance services.

Sec. 10432. Demonstration of coverage of ambulance services under medicare through contracts with units of local government.

CHAPTER 3—PAYMENT UNDER PARTS A AND B

Sec. 10441. Prospective payment for home health services.

Subtitle F—Provisions Relating to Part A

CHAPTER 1—PAYMENT OF PPS HOSPITALS

Sec. 10501. PPS hospital payment update.

Sec. 10502. Capital payments for PPS hospitals.

Sec. 10503. Freeze in disproportionate share.

Sec. 10504. Medicare capitation asset sale price equal to book value.

Sec. 10505. Elimination of IME and DSH payments attributable to outlier payments.

Sec. 10506. Reduction in adjustment for indirect medical education.

Sec. 10507. Treatment of transfer cases.

Sec. 10508. Increase base hospital rate to Puerto Rico hospitals.

CHAPTER 2—PAYMENT OF PPS EXEMPT HOSPITALS

Sec. 10511. Payment update.

Sec. 10512. Reductions to capital payments for certain PPS-exempt hospitals and units.

Sec. 10513. Cap on TEFRA limits.

Sec. 10514. Change in bonus and relief payments.

Sec. 10515. Change in payment and target amount for new providers.

Sec. 10516. Rebasings.

Sec. 10517. Treatment of certain long-term care hospitals.

Sec. 10518. Elimination of exemptions; report on exceptions and adjustments.

CHAPTER 3—PROVISIONS RELATED TO HOSPICE SERVICES

Sec. 10521. Payments for hospice services.

Sec. 10522. Payment for home hospice care based on location where care is furnished.

Sec. 10523. Hospice care benefits periods.

Sec. 10524. Other items and services included in hospice care.

Sec. 10525. Contracting with independent physicians or physician groups for hospice care services permitted.

Sec. 10526. Waiver of certain staffing requirements for hospice care programs in non-urbanized areas.
Sec. 1027. Limitation on liability of beneficiaries for certain hospice coverage denials.
Sec. 1028. Extending the period for physician certification of an individual’s terminal illness.
Sec. 1029. Effective date.

CHAPTER 4—MODIFICATION OF PART A HOME HEALTH BENEFIT
Sec. 1031. Modification of part A home health benefit for individuals enrolled under part B.

CHAPTER 5—OTHER PAYMENT PROVISIONS
Sec. 1034. Reductions in payments for enrollee bad debt.
Sec. 1035. Permanent extension of hemophilia pass-through.
Sec. 1036. Reduction in part A medicare premium for certain public retirees.

Subtitle G—Provisions Relating to Part B Only

CHAPTER 1—PHYSICIANS’ SERVICES
Sec. 1042. Establishing update to conversion factor to match spending under sustainable growth rate.
Sec. 1043. Replacement of volume performance standard with sustainable growth rate.
Sec. 1044. Payment rules for anesthesia services.
Sec. 1045. Implementation of resource-based physician practice expense.
Sec. 1046. Dissemination of information on high per discharge relative values for in-hospital physicians’ services.
Sec. 1047. No X-ray required for chiropractic services.
Sec. 1048. Temporary coverage restoration for portable electrocardiogram transportation.

CHAPTER 2—OTHER PAYMENT PROVISIONS
Sec. 1051. Payments for durable medical equipment.
Sec. 1052. Oxygen and oxygen equipment.
Sec. 1053. Reduction in updates to payment amounts for clinical diagnostic laboratory tests.
Sec. 1054. Simplification in administration of laboratory tests.
Sec. 1055. Updates for ambulatory surgical services.
Sec. 1056. Reimbursement for drugs and biologicals.
Sec. 1057. Coverage of oral anti-nausea drugs under chemotherapeutic regimen.
Sec. 1058. Rural health clinic services.
Sec. 1059. Increased medicare reimbursement for nurse practitioners and clinical nurse specialists.
Sec. 1060. Increased medicare reimbursement for physician assistants.
Sec. 1061. Renal dialysis-related services.

CHAPTER 3—PART B PREMIUM
Sec. 1062. Part B premium.

Subtitle H—Provisions Relating to Parts A and B

CHAPTER 1—PROVISIONS RELATING TO MEDICARE SECONDARY PAYER
Sec. 1070. Permanent extension and revision of certain secondary payer provisions.
Sec. 1071. Clarification of time and filing limitations.
Sec. 1072. Permitting recovery against third party administrators.

CHAPTER 2—HOME HEALTH SERVICES
Sec. 1073. Recapturing savings resulting from temporary freeze on payment increases for home health services.
Sec. 1074. Interim payments for home health services.
Sec. 1075. Clarification of part-time or intermittent nursing care.
Sec. 1076. Study of definition of home-bound.
Sec. 1077. Payment based on location where home health service is furnished.
Sec. 1078. Normative standards for home health claims denials.
Sec. 1079. No home health benefits based solely on drawing blood.

CHAPTER 3—BABY BOOM GENERATION

Sec. 1081. Bipartisan Commission on the Effect of the Baby Boom Generation on the Medicare Program.

CHAPTER 4—PROVISIONS RELATING TO DIRECT GRADUATE MEDICAL EDUCATION
Sec. 1082. Limitation on payment based on number of residents and implementation of rolling average FTE count.
Sec. 1083. Phased-in limitation on hospital overhead and supervisory physician component of direct medical education costs.
Sec. 1084. Permitting payment to non-hospital providers.
Sec. 1085. Incentive payments under plans for voluntary reduction in number of residents.
Sec. 1086. Demonstration project on use of consortia.
Sec. 1087. Recommendations on long-term payment policies regarding financing teaching hospitals and graduate medical education.
Sec. 1088. Medicare special reimbursement rule for certain combined residency programs.

CHAPTER 5—OTHER PROVISIONS
Sec. 1089. Centers of excellence.
Sec. 1090. Medicare part B special enrollment period and waiver of part B late enrollment penalty and medigap special open enrollment period for certain military retirees and dependents.
Sec. 1091. Protections under the medicare program for disabled workers who lose benefits under a group health plan.
Sec. 1092. Placement of advance directive in medical record.

Subtitle I—Medical Liability Reform

CHAPTER 1—GENERAL PROVISIONS
Sec. 1093. Federal reform of health care liability actions.
Sec. 1094. Definitions.
Sec. 1095. Effective date.

CHAPTER 2—UNIFORM STANDARDS FOR HEALTH CARE LIABILITY ACTIONS
Sec. 1096. Statute of limitations.
Sec. 1097. Calculation and payment of damages.
Sec. 1098. Alternative dispute resolution.
SEC. 10308. PROVISION OF CERTAIN IDENTIFICATION NUMBERS.

(a) REQUIREMENTS TO DISCLOSE EMPLOYER IDENTIFICATION NUMBERS (EINS) AND SOCIAL SECURITY ACCOUNT NUMBERS (SSNS).—Section 1124(a)(1) (42 U.S.C. 1320a-3(a)(1)) is amended by inserting before the period at the end the following: "and supply the Secretary with both the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing entity, each person with an ownership or control interest (as defined in subsection (a)(3)), and any subcontractor in which the entity directly or indirectly has a 5 percent or more ownership interest".

(b) OTHER MEDICARE PROVIDERS.—Section 1124A (42 U.S.C. 1320a-3a) is amended—

(1) in subsection (a)—

(A) by striking "and " at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "and ";

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

"(3) including the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing Part B provider and any person, managing employee, or other entity identified or described under paragraph (1) or (2)."; and

(2) in subsection (c) by inserting "(or, for purposes of subsection (a)(3), any entity receiving payment)" after "on an assignment-related basis".

(c) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION (SSA).—Section 1124A (42 U.S.C. 1320a-3a) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c) VERIFICATION.—

"(1) TRANSMITTAL BY HHS.—The Secretary shall transmit—

"(A) to the Commissioner of Social Security information concerning each social security account number (assigned under section 205(c)(2)(B)), and

"(B) to the Secretary of the Treasury information concerning each employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986),
supplied to the Secretary pursuant to subsection (a)(3) or section 1124(c) to the extent necessary for verification of such information in accordance with paragraph (2).

"(2) VERIFICATION.—The Commissioner of Social Security and the Secretary of the Treasury shall verify the accuracy of, or correct, the information supplied by the Secretary to such official pursuant to paragraph (1), and shall report such verifications or corrections to the Secretary.

"(3) FEES FOR VERIFICATION.—The Secretary shall reimburse the Commissioner and Secretary of the Treasury, at a rate negotiated between the Secretary and such official, for the costs incurred by such official in performing the verification and correction services described in this subsection.

(d) REPORT.—The Secretary of Health and Human Services shall submit to Congress a report on steps the Secretary has taken to assure the confidentiality of social security account numbers that will be provided to the Secretary under the amendments made by this section.
TITLE XI—BUDGET ENFORCEMENT
SEC. 11001. SHORT TITLE; TABLE OF CONTENTS.
(a) SHORT TITLE.—This Act may be cited as the "Budget Enforcement Act of 1997".
(b) TABLE OF CONTENTS.—

TITLE XI—BUDGET ENFORCEMENT
Sec. 11001. Short title; table of contents.
Subtitle A—Amendments to the Congressional Budget and Impoundment Control Act of 1974
Sec. 11001. Short title; table of contents.
Sec. 11002. Amendments to section 201.
Sec. 11003. Amendments to section 3.
Sec. 11004. Amendment to section 300.
Sec. 11005. Amendments to section 301.
Sec. 11006. Amendments to section 302.
Sec. 11007. Amendments to section 303.
Sec. 11008. Amendment to section 305.
Sec. 11009. Amendments to section 308.
Sec. 11110. Amendments to section 310.
Sec. 11111. Amendments to section 311.
Sec. 11112. Amendment to section 312.
Sec. 11113. Adjustments and Budget Committee determinations.
Sec. 11114. Effect of self-executing amendments on points of order in the House of Representatives.
Sec. 11115. Amendment of section 401 and repeal of section 402.
Sec. 11116. Repeal of title VI.
Sec. 11117. Amendments to section 504.
Sec. 11118. Repeal of sections 905 and 906.
Sec. 11119. Amendments to sections 1022 and 1024.
Sec. 11120. Amendment to section 1026.
Subtitle B—Amendments to the Balanced Budget and Emergency Deficit Control Act of 1985
Sec. 11201. Purpose.
Sec. 11202. General statement and definitions.
Sec. 11203. Enforcing discretionary spending limits.
for the period of 5 fiscal years covered by the resolution.

(d) Views and Estimates.—The first sentence of section 301(d) of the Congressional Budget Act of 1974 is amended by inserting "or at such times as social security requested by the Committee on the Budget." after "Code.

(e) Hearings and Report.—Section 301(e)(2) of the Congressional Budget Act of 1974 is amended by striking "total direct loan obligations and total primary loan guarantee commitments.".

(f) Social Security Corrections.—Section 301(i) of the Congressional Budget Act of 1974 is amended by inserting "SOCIAL SECURITY POINT OF ORDER." after "(i); and

(g) Determining Appropriations.—The Joint Explanatory Statement accompanying a conference report on a budget resolution shall include allocations, consistent with the resolution recommended in the conference report. of the appropriate levels (for each fiscal year covered by the resolution and the total fiscal years covered, except in the case of the Committee on Appropriations only for the first such fiscal year) of

(1) total new budget authority;

(2) new discretionary budget authority;

(3) in the Senate, social security outlays; among each committee of the House of Representatives or the Senate that has jurisdiction over legislation providing or creating such social security outlays;

(4) no double counting.—In the House of Representatives, any item allocated to one committee may not be allocated to another such committee.

(5) Further Division of Amounts.—In the House of Representatives, the amounts allocated to each committee for each fiscal year, other than the Committee on Appropriations, shall be further divided between amounts provided or required by law on the date of filing of that conference report and amounts added or required by any legislation. The amounts allocated to the Committee on Appropriations for each fiscal year shall be further divided between discretionary and mandatory amounts or programs, as appropriate.

(6) Amounts Not Allocated.—(A) In the House of Representatives, if a committee receives no allocation of new budget authority or outlays, that committee shall be deemed to have received an allocation equal to zero for new budget authority or outlays.

(B) In the Senate, if a committee receives no allocation of new budget authority or outlays, that committee shall be deemed to have received an allocation equal to zero for new budget authority or outlays.

(7) Social Security Levels in the Senate.—(A) In General.—For purposes of paragraphs (6)(B), social security surplus shall mean the excess of social security revenues over social security outlays in a fiscal year or years with such an excess and social security deficit shall mean the excess of social security outlays over social security revenues in a fiscal year or years with such an excess.

(B) Tax Treatment.—For purposes of paragraphs (6)(B) and (7)(A) of this section, and section 251(c) of the Internal Revenue Code of 1986 shall be treated as affecting the amount of social security revenues or outlays unless such provision changes the income tax treatment of social security benefits.

(8) Adjusting Allocation of Discretionary Spending in the House of Representatives.—(A) If a concurrent resolution on the budget is adopted by April 15, the chairman of the Committee on the Budget of the House of Representatives shall submit to the House, as soon as practicable, an appropriation resolution to the Committee on Appropriations consistent with the discretionary spending limits contained in the most recently agreed to concurrent resolution on the budget for the second fiscal year covered by the concurrent resolution.

(B) As soon as practicable after an allocation under paragraph (1) is submitted under this section, the Committee on Appropriations shall make suballocations and promptly report those suballocations to the House of Representatives.

(9) Suballocations by Appropriation Committees.—As soon as practicable after a concurrent resolution on the budget is agreed to, the Committee on Appropriations of each House (after consulting with the Committee on Appropriations of the other House) shall make suballocations and report to it for the budget year under subsection (a) among its subcommittees. Each Committee on Appropriations shall promptly report to its House suballocations made or revised under this paragraph.

(C) In the Senate only, new spending authority that would cause—

(1) new budget authority for a fiscal year;

(2) an increase or decrease in revenues to become effective during a fiscal year;

(3) an increase or decrease in the public debt limit to become effective during a fiscal year;

(4) in the Senate only, new spending authority as defined in section 401(c)(2) for a fiscal year; or

(5) in the Senate only, outlays until the concurrent resolution on the budget for such fiscal year (or, in the Senate, a fiscal year beginning in such calendar year) has been agreed to pursuant to section 301.

(d) Separate Allocations.—Section 302(g) of the Congressional Budget Act of 1974 is amended to read as follows:

"(g) Separate Allocations.—The Committee on Appropriations of each House shall make separate allocations and suballocations under this section consistent with the categories in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 11010. AMENDMENTS TO SECTION 303.

(A) In General.—Section 303 of the Congressional Budget Act of 1974 is amended to read as follows:

"CONCURRENT RESOLUTION ON THE BUDGET MUST BE ADOPTED BEFORE LEGISLATION PROVIDING NEW BUDGET AUTHORITY. NEW SPENDING AUTHORITY, OR CHANGES IN REVENUES OR THE PUBLIC DEBT LIMIT IS CONSIDERED.

"SEC. 303. (a) In General.—It shall not be in order in either the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report as reported to the House or Senate which provides—

(1) new budget authority for a fiscal year;

(2) an increase or decrease in revenues to become effective during a fiscal year;

(3) an increase or decrease in the public debt limit to become effective during a fiscal year;

(4) in the Senate only, new spending authority as defined in section 401(c)(2) for a fiscal year; or

(5) in the Senate only, outlays until the concurrent resolution on the budget for such fiscal year (or, in the Senate, a fiscal year beginning in such calendar year) has been agreed to pursuant to section 301.

(b) Exceptions.—(I) In the House of Representatives, subsection (a) does not apply to any bill or resolution that

(A) provides discretionary new budget authority which first becomes available in a fiscal year following the fiscal year to which the concurrent resolution applies; or

(B) increasing or decreasing revenues which first become effective in a fiscal year following the fiscal year to which the concurrent resolution applies.

After May 15 of any calendar year, subsection (a) does not apply in the House of Representatives to any general appropriation bill, or amendment thereto, which provides new budget authority for the fiscal year beginning in such calendar year.

(II) In the Senate, subsection (a) does not apply to any bill or resolution making advance appropriations for the fiscal year to which the concurrent resolution applies and the two succeeding fiscal years.

(b) Conforming Amendment.—The item relating to section 303 in the table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking "new credit authority.

SEC. 11108. AMENDMENT TO SECTION 305.

Section 305(a)(1) of the Congressional Budget Act of 1974 is amended by inserting "when the House is not in session" after "holidays" each place it appears.

SEC. 11109. AMENDMENTS TO SECTION 308.

Section 308 of the Congressional Budget Act of 1974 is amended to read as follows:

"(1)(A) In the side heading of subsection (a), by striking "OR NEW CREDIT AUTHORITY," and by striking the first comma and the semicolon.

(B) In paragraphs (1) and (2) of subsection (a), by striking "or new credit authority," each place it appears and by striking the comma before "new spending authority" each place it appears and inserting; or";
(2) in subsection (b)(1), by striking "or new credit authority," and by striking the comma before "new spending authority" and inserting "or";

(b) in subsection (c), by inserting "and" after the semicolon at the end of paragraph (3), by striking ";" and at the end of paragraph (4) and inserting a period; and by striking paragraph (5), and

(c) in subsection (f) before "resolution", each place it appears and, in subsection (b)(1), by inserting "Joint" before "resolution";

SEC. 1110. AMENDMENTS TO SECTION 310.

Section 310 of the Congressional Budget Act of 1974 is amended by—

(1) in subsection (a)(1), by inserting "and" after the semicolon at the end of subparagraph (A), by striking subparagraphs (C) and (D), and by inserting after subparagraph (B) the following new subparagraph:

"(C) direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985);" and

(2) in subsection (c)(1)(A), by inserting "of the absolute value" after "20 percent" each place it appears.

SEC. 1111. AMENDMENTS TO SECTION 311.

Section 311 of the Congressional Budget Act of 1974 is amended to read as follows:

"NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, AND REVENUE LEGISLATION MUST BE WITHIN APPROPRIATE LEVELS—SEC. 311. (a) ENFORCEMENT OF BUDGET AGREEMENTS—

the House of Representatives.

Except as provided by subsection (c), after the Congress has completed action on a concurrent resolution on the budget for a fiscal year, it shall not be in order in the House of Representatives to consider any new budget resolution, amendment, motion, or conference report providing new budget authority for such fiscal year unless revenues for such fiscal year would not cause revenues to be less than the appropriate level of total revenues set forth in such concurrent resolution such fiscal year or for the total of all fiscal years covered by the concurrent resolution, except in the case that a declaration of war by the Congress is in effect.

(b) IN THE SENATE.—After a concurrent resolution is agreed to in the Senate, it shall not be in order in the Senate to consider any new budget resolution, amendment, motion, or conference report that—

would cause the appropriate level of total new budget authority or total budget outlays set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year to be exceeded, or would cause revenues for such fiscal year to be less than the appropriate level of total revenues set forth in such concurrent resolution such fiscal year or for the total of all fiscal years covered by the concurrent resolution, except in the case that a declaration of war by the Congress is in effect.

(c) IN GENERAL.—For purposes of this title and title IV, in determining levels of new budget authority, budget outlays, and revenues as described in section 401(c)(2), direct spending, new entitlement authority, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on Appropriations for the Committee on the Budget of the House of Representatives or the Senate, as the case may be.

(d) TIMING.—If the adoption of such amendment would result in a level of total budget outlays for such fiscal year that is the dollar equivalent, in terms of Special Drawing Rights, or if the adoption of such amendment would result in a level of total budget outlays for such fiscal year that is greater than the maximum amount specified in the Balanced Budget and Emergency Deficit Control Act of 1985 for such fiscal year, by an amount that is greater than the maximum deficit amount, if any, specified in the Balanced Budget and Emergency Deficit Control Act of 1985 for such fiscal year.

(e) POINTS OF ORDER IN THE SENATE AGAINST AMENDMENTS BETWEEN THE HOUSES.—Each provision of this Act that establishes a point of order against an amendment also establishes a point of order in the Senate against an amendment between the Houses. If a point of order under this Act is or becomes pending before the Senate, the President of the Senate sustains the point of order, the effect shall be the same as if the Senate had disagreed to the amendment.

(f) EFFECT OF A POINT OF ORDER ON A BILL IN THE SENATE.—In the Senate, if the Chair sustains a point of order under this Act against a bill, the Chair shall then send the bill to the committee of appropriate jurisdiction for further consideration.

SEC. 1111A. ADJUSTMENTS AND BUDGET COMMITTEE DETERMINATIONS.

(a) IN GENERAL.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

"SEC. 314. (a) ADJUSTMENTS.—When—

"(1) the Committee on Appropriations reports an appropriation measure for fiscal year 1998, 1999, 2000, 2001, or 2002 that specifically directs agencies or includes an appropriation for the United States quota as part of the International Monetary Fund Eleventh General Review of Quotas (United States Quota); or

"(2) the amount that is greater than the maximum deficit amount, if any, specified in the Balanced Budget and Emergency Deficit Control Act of 1985 for such fiscal year;

"(3) if the adoption of such amendment would result in a level of total budget outlays for such fiscal year that is the dollar equivalent, in terms of Special Drawing Rights, of—

"(ii) increases the maximum amount available to the Secretary of the Treasury pursuant to section 17 of the Bretton Woods Agreement Act, as amended from time to time (Exchange Stabilization Funds), or

"(D) the Committee on Appropriations reports an appropriation measure for fiscal year 1998, 1999, or 2000 that includes an appropriation for arrearages for international organizations, international peacekeeping, and multilateral development banks during that fiscal year, and the sum of the appropriation for the period of fiscal years 1998 and...
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through 2000 do not exceed $1,884,000,000 in budget authority; or

(2) a conference committee submits a conference report thereon;

the chairman of the Committee on the Budget of the Senate or House of Representatives shall make the adjustments referred to in subsection (c) to reflect the additional new budget authority for such matter that is provided in the conference report and the additional outlays flowing in all fiscal years from such amounts for such matter.

(b) APPLICATION OF ADJUSTMENTS.—The adjustments referred to in subsection (a) shall consist of adjustments, as appropriate, to—

(1) the discretionary spending limits as set forth in the most recently adopted concurrent resolution on the budget; and

(2) the allocations made pursuant to the most recently adopted concurrent resolution on the budget pursuant to section 302(a); and

(c) BUDGETARY AGGREGATE — The budgetary aggregates as set forth in appropriation Acts.

REPORTING.—Following new section:

AND REVISED SUBLOCALATIONS.—Where appropriate, the Committees on Appropriations or the Senate or House of Representatives may report appropriately revised suballocations pursuant to this section on the following:

(1) Definitions.—As used in subsection (a)(1)(A), when referring to continuing discretionary appropriations as specified in the Balanced Budget and Emergency Deficit Control Act of 1997, "new item" means any item that measure or conference report and the most recently adopted concurrent resolution on the budget.

(2) Conforming amendments.—(1) Sections 302(b), 305(c), 311(c), and 313(e) of the Congressional Budget Act of 1974 are repealed.

(2) The resolutions of the Senate in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 are amended by adding after the item relating to section 313 the following new section:

"SEC. 314. Adjustments.

SEC. 11114. EFFECT OF SELF-EXECUTING AMENDMENTS ON POINTS OF ORDER UNDER THE CONGRESSIONAL BUDGET ACT OF 1974. The following new section shall be in order in either the House of Representatives or the Senate during order raised under sections 305(b)(2), 305(c)(4), 306, 310(d)(2), 313, 904(c), and 904(d) of this Act:

"(1) By striking paragraph (4) and inserting "Title VI of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking ‘V. and VI (except sections 305(b)(2), 305(c)(4), 306, 310(d)(2), 313, 904(c), and 904(d) of this Act)’ and by striking the first two sentences and inserting ‘In section 2, the definitions in section 258(a)(3) of the Balanced Budget and Emergency Deficit Control Act of 1997 are amended by striking ‘V. and VI (except sections 305(b)(2), 305(c)(4), 306, 310(d)(2), 313, 904(c), and 904(d) of this Act)’ and by striking the first two sentences and inserting ‘V. and VI (except sections 305(b)(2), 305(c)(4), 306, 310(d)(2), 313, 904(c), and 904(d) of this Act)’ and by striking the first two sentences and inserting ‘V. and VI (except sections 305(b)(2), 305(c)(4), 306, 310(d)(2), 313, 904(c), and 904(d) of this Act)’ and at the end of the following:

"(2) An affirmative vote of the three-fifths of the Members, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under sections 305(b)(2), 305(c)(4), 306, 310(d)(2), 313, 904(c), and 904(d) of this Act.

(2) An affirmative vote of the three-fifths of the Members, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under sections 305(b)(2), 305(c)(4), 306, 310(d)(2), 313, 904(c), and 904(d) of this Act.

SEC. 11118. REPEAL OF SECTIONS 905 AND 906. (a) REPEALER.—Sections 905 and 906 of the Congressional Budget and Impoundment Control Act of 1974 are repealed.

(b) Conforming amendments.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking the following:

SUBSECTION 11118. AMENDMENTS TO SECTIONS 1022 AND 1024. (a) Section 1022.—Section 1022(b)(1)(F) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking "section 601" and inserting "section 251(c) the Balanced Budget and Emergency Deficit Control Act of 1997".

(b) Section 1024.—Section 1024(a)(1)(B) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking "section 251(c) the Balanced Budget and Emergency Deficit Control Act of 1995".

SEC. 11120. AMENDMENT TO SECTION 1028. Section 1028(7)(A)(v) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking "and" and inserting "or".

Subtitle B—Amendments to the Balanced Budget and Emergency Deficit Control Act of 1997

SEC. 11201. PURPOSE. This subtitle extends discretionary spending limits and pay-as-you-go requirements.

SEC. 11202. GENERAL STATEMENT AND DEFINITIONS. (a) General statement.—Section 250(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(b)) is amended by striking the first two sentences and inserting the following: "This part provides for the enforcement of a balanced budget by fiscal year 2002 as called for in House Concurrent Resolution 84 (105th Congress, 1st session)."

(b) Definitions.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking the following: "The term ‘category’ means defense, nondefense, and violent crime reduction discretionary appropriations as specified in the joint explanatory statement accompanying a conference report on the Balanced Budget Act of 1997.

(2) by striking paragraph (6) and inserting the following:

"The term ‘budgetary resources’ means new budget authority, unobligated balances, direct spending authority, and obligation limitations."
(3) in paragraph (9), by striking "submis-
sion of the fiscal year 1992 budget that are
not included with a budget submission" and
inserting "that budget submission that are
not included with a budget submission"; (4)
in paragraph (14), by inserting "first 4" be-
fore "fiscal years" and by striking "1995" and
inserting "2006"; (5) in paragraphs (17) and (20) and by redesignating paragraphs (18), (19), and (21) as paragraphs (17), (18), and (19), respec-
tively; (6) in paragraph (17) as redesignated, by
striking "Omnibus Budget Reconciliation Act of
1990" and inserting "Balanced Budget Act of
1997"; (7) in paragraph (20) as redesignated,
by striking the second sentence; and (8) by adding at the end the following new
paragraph:

"(20) The term 'consultation', when applied
to the Committee on the Budget of either
the House of Representatives or of the Sen-
ate, means written communication with that
committee that affords that committee an
opportunity to express views and to discuss
on the matter that is the subject of the consulta-
tion before official action is taken on such
matter."

SEC. 11203. ENFORCING DISCRETIONARY SPEND-
ing LIMITS.

(a) EXTENSION THROUGH FISCAL YEAR 2002.—Section 251 of the Balanced Budget and
Emergency Deficit Control Act of 1995 is
amended—

(1) in the side heading of subsection (a), by
2002"; (2) in subsection (a)(7) by inserting
"excluding Saturdays, Sundays, or legal hol-
iday after "5 calendar days"; (3) in the first sentence of subsection (b)(1), by stri-
inserting "1997 or any fiscal year there-
after through 2002" and by striking "through
1998" and inserting "through 2002"; (4) in subsection (b)(1), by striking "the fol-
lowing" and all that follows through "in con-
dcepts and definitions"; the first place it
appears and inserting "the following: the ad-
justments" and by striking subparagraphs
(B) and (C); (5) in subsection (b)(2), by stri-
1997, or 1998" and inserting "fiscal years in-
cluded through 2002", by striking "through
1998" and inserting "through 2002" and by stri-
kling subparagraphs (A), (B), (C), (D), (E),
and (F) and redesignating subparagraphs
(D), (F), and (H) as subparagraphs (A), (B),
and (C), respectively; (6) in subsection (b)(2)(A) as redesignated, by
striking "(i)" by striking clause (ii), and by
inserting "fiscal year before these years"; (7) in subsection (b)(2)(B) as redesignated,
by striking everything after the "adjust-
ment in which a change is made in or in-
serting for "a fiscal year is the amount of the change in outlays or receipts, as the case may be, for the current fiscal year resulting from the prior year's
budget year by adding at the end the following new subparagraphs:

"(D) ALLOWANCE FOR IMF.—If an ap-
propriations bill or joint resolution is enacted for
that includes an appropriation with respect to
(1) the international Monetary Fund, or
(2) the Deposit Insurance Guarantee Commit-
tee, that is the dollar equivalent, in terms of
Special Drawing Rights, of—

(i) any increase in the maximum amount
available to the Secretary of the Treasury
pursuant to section 17 of the Bretton Woods
Agreement Act, as amended from time to
time (New Arrangements to Borrow).

(ii) ALLOWANCE FOR INTERNATIONAL AR-
rearages.—

(1) ADJUSTMENTS.—If an appropri-
ations bill or joint resolution is enacted for fiscal
year 1998, 1999, or 2000 that includes an
appropriation for arrearages for international
organizations, international peacekeeping,
and missile defense for that fiscal year, the
adjustment shall be the amount of budget
authority in such measure and the outlays
flowing in all fiscal years from such budget
authority.

(ii) LIMITATIONS.—The total amount of
adjustments made pursuant to this subpara-
graph for the period of fiscal years 1998
through 2000 shall not exceed $1,884,000,000 in
budget authority.

(b) SHIFTING OF DISCRETIONARY SPENDING
LIMITS INTO THE BALANCED BUDGET AND
EMERGENCY DEFICIT CONTROL ACT OF 1995.—
Section 251 of the Balanced Budget and
Emergency Deficit Control Act of 1995 is
amended by adding at the end the following
new subsection:

"(C) DISCRETIONARY SPENDING LIMIT.—As
used in this part, the term 'discretionary spend-
ing limit' means—

(1) with respect to fiscal year 1997, for the
discretionary category, the current adjusted
budget authority and $560,799,000,000 in out-
lays; and

(2) with respect to fiscal year 1998—

(A) for the defense category: $266,823,000,
000 in new budget authority and

$566,518,000,000 in new outlays;

(B) for the nondefense category: $252,337,
000,000 in new budget authority and

$582,853,000,000 in new outlays; and

(C) for the nondefense reduction cat-
egory: $5,500,000,000 in new budget authority
and $3,592,000,000 in new outlays;

(3) with respect to fiscal year 1999—

(A) for the defense category: $271,300,
000,000 in new budget authority and

$656,181,000,000 in new outlays; and

(B) for the nondefense category: $261,499,
000,000 in new budget authority and

$552,803,000,000 in new outlays;

(4) with respect to fiscal year 2000, for the
discretionary category: $357,193,000,000 in new
budget authority and $584,263,000,000 in new
outlays;

(5) with respect to fiscal year 2001, for the
discretionary category: $542,032,000,000 in new
budget authority and $854,396,000,000 in new
outlays; and

(6) with respect to fiscal year 2002, for the
discretionary category: $515,074,000,000 in new
budget authority and $760,799,000,000 in new
outlays;

as adjusted in strict conformance with sub-
section (b))."

SEC. 11204. VIOLENT CRIME REDUCTION TRUST
FUND.

(a) SEQUESTRATION REGARDING VIOLENT CRIME
REDUCTION TRUST FUND.—Section 251A of the
Balanced Budget and Emergency Deficit
Control Act of 1985 is repealed.

(b) SEQUESTRATION GUIDELINES.—OMB, after consultation with each other and the Committees on the Budget of the
House of Representatives and the Senate, shall,

(1) determine common sequestration
guidelines; and

(2) in conformance with such guidelines,
prepare estimates under this section."

SEC. 11205. ENFORCING PAY AS YOU GO.

(a) EXTENSION.—Section 252 (2 U.S.C. 902) is
amended—

(1) by striking subsections (a) and (b) and
inserting the following:

"(A) the purpose of this section is to assure that any legislation enacted prior to September 30, 2002, affecting direct spending or receipts that increases the defi-
cit will trigger existing sequestration

"(B) SEQUESTRATION.—

(1) TIMING.—Within 15 calendar days after
Congress adjourns to end a session and on
the same day as a sequestration (if any) under sections 251 and 253, there shall be a
sequestration to offset the amount of any
net deficit increase in the budget year
caused by all direct spending and receipts
legislation (after adjusting for any prior se-
questration as provided by paragraph (2))
and any net deficit increase in the prior fis-
cal year caused by all direct spending and rec-
ceipts legislation not reflected in the final
OMB sequestration report for that year.

(c) CALCULATION OF DEFICIT INCREASE—
OMB shall calculate the amount of any net
deficit increase, if any, in the budget year by add-
ing—

(A) any applicable estimates of direct
spending and receipts legislation transmit-
ted under subsection (d) to the budget year,
or

(B) the estimated amount of savings in di-
rect spending programs applicable to the
budget year resulting from the prior year's
sequestration under subsection (d) on page 253, if any (except for any amounts se-
quastered as a result of any deficit increase in the
fiscal year immediately preceding the prior fiscal year as published in OMB's final
sequestration report for that year); and

(2) by amending subsection (c)(1)(B), by in-
serting "and" and "direct" after "guaranteed";

(c) AMENDMENT—Section 251 of the Balanced
Budget and Emergency Deficit Control Act of 1995 is repealed."

SEC. 11206. REPORTS AND ORDERS.

Section 254 of the Balanced Budget and
Emergency Deficit Control Act of 1995 is
repealed.
In subsection (c)(2)(A) (as redesignated), by striking "1998" and inserting "2002"; and
(B) in subsection (c)(3) (as redesignated), by striking "1998" and inserting "2002"; and

(2) In the item relating to Veterans Health Administration, strike "indemnity, strike "Indemnity" and insert "Indemnities".
(3) In the item relating to Veterans' Compensation, compensation, strike "'and insert 'Compensation'.
(4) In the item relating to Veterans' compensation, compensation, strike "'and insert "Compensation'.
(5) In the item relating to Veterans' pensions, strike "Veterans' pensions" and insert "Pensions'.
(6) After the last item, insert the following new items:
"Benefits under chapter 35 of title 38, United States Code, related to educational assistance for surviving and dependents of certain veterans with service-connected disabilities (36-0137-0-1-702);
"Assistance and services under chapter 31 of title 38, United States Code, relating to training and rehabilitation for certain veterans with service-connected disabilities (36-0137-0-1-702);
"Benefits under subchapters I, II, and III of chapter 37 of title 38, United States Code, relating to housing loans for certain veterans and for the spouses and surviving spouses of certain veterans (14-0415-0-1-806):'
"Loan Guaranty Program Account (36-1024-0-1-704); and
"Direct Loan Program Account (36-1024-0-1-704);"

(2) Certain Program Bases.—Section 255(f) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:
"(f) Optional Exemption of Military Personnel.—
"(1) The President may, with respect to any military personnel account, exempt that account or any portion of that account from provisions of this chapter which provide for a lower uniform percentage reduction than would otherwise apply.
(2) The President may not use the authority provided by paragraph (1) unless he notifies the Congress of the manner in which such authority will be exercised on or before the date specified in section 254(a) for the budget for fiscal year 1986.

(c) Other Programs and Activities.—(1) Section 255(g)(1)(A) of the Balanced Budget Emergency Deficit Control Act of 1985 is amended as follows:
(A) After the first item, insert the following new item:
"Activities financed by voluntary payments to the Government for goods or services that are provided for such payments:'
(B) Strike "Thrift Savings Fund (26-0340-0-3-316); and
(C) In the first item relating to the Bureau of Indian Affairs, insert "Indian and water claims settlements and" after the comma.
(D) In the second item relating to the Bureau of Indian Affairs, strike "miscellaneous" and strike "'tribal trust funds'.
(E) Strike "Claims, defense (87-0102-0-1-011);'
(F) In the item relating to Claims, judgments, and relief acts, strike "806" and insert "808".
(G) Strike "Coinage profit fund (20-5811-0-2-803);'
(H) Insert "Compact of Free Association (14-0415-0-1-808):' after the item relating to the Claims, judgments, and relief acts.
(I) Insert "Conservation Reserve Program (12-2311-0-1-302);' after the item relating to the Compensation of the President.
(J) In the item relating to the Customs Service, strike "852" and insert "806".
(K) In the item relating to the Comptroller of the Currency, insert "' Assessment funds (20-1811-0-3-311);'
(L) Strike "Director of the Office of Thrift Supervision;'
(M) Strike Eastern Indian land claims settlements fund (14-0131-0-800);'
(N) After the item relating to the Exchange stabilization fund, insert the following new items:
"Farm Credit Administration, Limitation on Administrative Expenses (78-4131-0-3-351);'
"Farm Credit System Financial Assistance Corporation, interest payment (20-1800-0-1-908);'
"(O) Strike "Federal Deposit Insurance Corporation;'
(P) In the first item relating to the Federal Deposit Insurance Corporation, insert "(51-4066-0-3-373)" before the semicolon.
(Q) In the second item relating to the Federal Deposit Insurance Corporation, insert "(51-4065-0-3-373)" before the semicolon.
(R) In the third item relating to the Federal Deposit Insurance Corporation, insert "(51-4066-0-3-373)" before the semicolon.
(S) In the item relating to the Federal Housing Finance Board, insert "(95-4039-0-3-371)" before the semicolon.
(T) In the item relating to the Federal payment to the railroad retirement account, strike "account" and insert "accounts'.
(U) In the item relating to the health professions graduate student loan insurance fund, insert "program account' after 'fund' and strike "(Health Education Assistance Loan Program) (75-4305-0-3-353)" and insert "(75-0340-0-1-552);'
(V) In the item relating to Higher education facilities, strike "'and insurance'.
(W) In the item relating to Internal revenue collections for Puerto Rico, strike "852" and insert "806".
(X) Amend the item relating to the Panama Canal Commission to read as follows:
"Panama Canal Commission, Panama Canal Revolving Fund (14-0131-0-3-403);'
(Y) In the item relating to the Medical facilities guarantee and loan fund, strike "(75-4305-0-3-351)" and insert "(75-9391-0-3-550);'
(Z) In the item relating to the National Credit Union Administration, insert "operating fund (25-4505-0-3-373)" before the semicolon.
(AA) In the second item relating to the National Credit Union Administration, strike "central" and insert "Central" and insert "(25-4470-0-3-373)" before the semicolon.
(AB) In the third item relating to the National Credit Union Administration, strike "credit" and insert "Credit" and insert "(25-4468-0-3-373)" before the semicolon.
(CC) After the third item relating to the National Credit Union Administration, insert the following new item:
"Office of Thrift Supervision (20-1408-0-3-373);'
(DD) In the item relating to Payments to health care trust funds, strike "372" and insert "371".
(EE) Strike "Compact of Free Association, economic assistance pursuant to Public Law 99-658 (14-0415-0-1-808);'
(FF) In the item relating to Payments to social security trust funds, strike "571" and insert "851".
(GG) Strike "Payments to state and local government fiscal assistance trust fund (20-1115-0-1-801);'
(HH) In the item relating to Payments to the United States territories, strike "852" and insert "806".
(I) Strike "Resolution Funding Corporation;'
(JJ) In the item relating to the Resolution Trust Corporation, insert "Revolving Fund (22-4055-0-3-373)" before the semicolon.
(KK) After the item relating to the Tennessee Valley Authority funds, insert the following new items:
"United States Savings Fund;
"United States Enrollment Compensation Fund (85-4054-0-3-271);'
"Vaccine Injury Compensation (75-0320-0-1-551);'
"Vaccine Injury Compensation Program Trust Fund (20-8175-0-7-551);'

(2) Section 255(g)(1)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:
(A) Strike "The following budget" and insert "The following Federal retirement and disability".
(B) In the item relating to Black lung benefits, strike "lunb benefits" and insert "Lung Disability Trust Fund".
(C) In the item relating to the Court of Federal Claims Court Judges' Retirement Fund, strike "Court Judges' Retirement Fund".
(D) In the item relating to Longshoremen's compensation benefits, insert "Special workers compensation expenses", before "Longshoremen's".
(E) In the item relating to Railroad retirement tier II, strike "retirement tier II" and insert "Industry Pension Fund".

(3) Section 255(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:
(A) Strike the following items:
"Agency for International Development, Housing, and other credit guarantee programs (72-4340-0-3-315);'
"Agricultural credit insurance fund (12-4140-0-1-351);'
(B) In the item relating to Check forgery, strike "Check forgery check" and insert "United States Treasury check".
(C) Strike "Community development grant loan guarantees (86-0162-0-1-451);'
(D) After the item relating to the United States Treasury Check forgery insurance fund, insert the following new item:
"Credit liquidating accounts';'
(E) Strike the following items:
"Credit union share insurance fund (25-4648-0-3-371);'
"Economic development revolving fund (13-4203-0-3-371);'
"Export-Import Bank of the United States, Limitation of program activity (83-4027-0-1-155);'
"Federal deposit insurance Corporation (51-8419-0-8-371);'
"Federal Housing Administration fund (86-4070-0-3-371);'
(Federal ship financing fund (86-4301-0-3-403);'
"Federal ship financing fund, fishing vessels (13-4177-0-3-371);'
"Federal National Mortgage Association, Guarantees of mortgage-backed securities (86-4238-0-3-371);'
"Health education loans (75-4307-0-3-553);
"Home loan guarantee and insurance fund (14-4410-0-3-452);'
"Rural development insurance fund (12-4155-0-3-452);'
(a) SECTION HEADING.—(1) The section heading of section 256 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking "exceptions, limitations, and special rules" and inserting "general and special sequestration rules".

(b) AUTOMATIC SPENDING INCREASES.—Section 256(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(c) GUARANTEED AND DIRECT STUDENT LOAN PROGRAMS.—Section 256(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows: "Sec. 256. General and special sequestration rules.

(1) In subsection (a), strike "other than a trust or special fund account" and insert "except as provided in paragraph (5)" before the period.

(2) Strike paragraph (4), redesignate paragraphs (5) and (6) as paragraphs (4) and (5), respectively, and amend paragraph (5) as redesignated to read as follows:

"(5) Budgetary resources sequestered in revolving, trust, and special fund accounts, and offsetting collections sequestered in appropriated accounts, shall not be available for obligation during the fiscal year in which the sequestration occurs, but shall be available in subsequent years to the extent otherwise provided.

SEC. 1120. THE BASELINE.

Section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by struck in subsection (c)(2) and (3) and (5) and redesignate as (2), (3) and (5), respectively.

SEC. 1121. EFFECTIVE DATE.

(a) EXPPIRATION.—Section 257(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking "1995" and inserting "2002" and redesignate as (3).

(b) In subsection (d)(1)(C), strike "1995" and insert "2002".

(c) By adding at the end of the following new subparagraph:

"In subsection (g), (a) strike "base level of total revenues and total budget outlays, as defined in paragraph (5)" and insert "figures", and (b) strike "and", and (c) strike "and".

SEC. 1121. JUDICIAL REVIEW.

Section 274 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking "252" or "252(b)" each place it occurs and insert "254".

(2) In subsection (d)(1)(A), strike "257(i)" and insert "257(i)" as follows:

"(i) Reduce any balances of direct spending or direct outlays required by section 252 or 253, as applicable.

(3) In subsection (d)(2)(B), strike "new " and include all the provisions of the Omnibus Budget Reconciliation Act of 1985 (2 U.S.C. 900 note) is repealed.

SEC. 1122. REDUCTION OF PREEXISTING BALANCES AND EXCEPTIONS TO EFFECTS OF THIS ACT FROM PAYGO SCORECARD.

Upon the enactment of this Act, the Director of the Office of Management and Budget shall—

(1) reduce any balances of direct spending and receive legislation for any fiscal year with the appropriate section or sections of that legislation.

(2) In section 11a2, amendment, motion, or conference report shall be subject to a point of order under section 306 of the Congressional Budget Act of 1974 solely because it includes the provision specified in clause (ii).

(3) Upon the expiration of the suspensions contained in section 171 of Public Law 114-95, and any amendments to such Act which combined, amount to $50 million or greater than $50,000,000, such program shall be assumed to operate under that Act as in effect immediately before reversion to the laws suspending the program.

(4) By adding the end of subsection (b) the following text in section 11a2:

"(b) If any law expires before the fiscal year or any year, then any program which is estimated current year outlays greater than $50 million which operates under that law shall be required to operate under that Act as in effect immediately before reversion to the laws suspending the program.

(5) In the second sentence of subsection (c)(5), strike "at the discretion of the President" and strike "2 percent".

(6) By striking subsection (e) and inserting the following:

"(e) ASSET SALES—Amounts realized through the sale of an asset other than a loan asset shall not be counted against legislation if that sale would result in a financial cost to the Federal Government.

SEC. 1121. TECHNICAL AND CLERICAL AMENDMENTS.

Section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985, entitled "Modification of Presidential Order", is amended—

(1) by striking "2 percent" and insert "2 percent of the sequestered amount".

(2) By adding to the end the following new subparagraph:

"(i) Clause (i) shall not apply to a program specified in section 11a2 of this Act."
what is involved is saying we will make
myself
from Ohio [Mr. KASICH].
minutes.
SPAR]
Mr. Speaker, will the gentleman yield?
Mr. KASICH. I yield to the gen-

tleman from the Hoosier State.
Mr. ROEMER. Mr. Speaker, I ap-
preciate the gentleman directing his
ents across the country while work-
in a bipartisan way because I intend to vote for this
reconciliation package.
I would say that it is not only impor-
tant to work in a bipartisan way to
balance the budget, but this is a defin-
ing vote for the Democratic Party. It is a vote that con-
siders the American people.
Mr. Speaker, when we work with our
Democratic President and the majority
Republican Party who control the
House and the Senate, we have been
able to save over $700 billion that we
will not have to borrow over the next
10 years, and at the same time that
in an honest, fair, and logical way
balancing the budget, we believe in doing
it in a fair, equitable and just manner.

Spending money on a brand-new ini-
tiative for children's health, $16 billion
over 5 years for uninsured children;
that would not have been approved
without our input into this process.
The largest Pell grant increase in the
history of the Pell grant program to
help our struggling families get their
children a college education; that
would not have happened without the
President and the Democratic minority
in the Senate and the House work-
ing with the Republican majority.

There are lots of things that we be-
lieve very firmly will benefit the hard-
working people of this country in this
balanced budget proposal that we hope
will receive a number of Democratic
votes here on the floor, and I ap-
preciate the hard work. And next door in
the Buckeye State, with the gentleman
from Ohio [Mr. KASICH], we oftentimes
work together on some of the budg-
tary issues and are anxious to work
with the President and with
the Senate, the other body, and im-
prove this bill even further in con-
sideration.
Mr. KASICH. Mr. Speaker, I reclai-
me my time and suggest that I think
what everyone should be very happy
about today is that what we are about to do
here again, so that there can be no con-
fusion with our colleagues or the peo-
ple who advise our colleagues, we are about
making some real savings that will
accumulate to balance the budget.
It is not based on some targets, it is
not based on some jerry-rigged mecha-
nism. It is based on controlling the
growth of entitlement programs in a
variety of areas, and I want to con-
clude the gentleman for being here and
supporting this effort today.

Let me also spend a few minutes
talking about the Medicare portion of
this. We have not only enacted the sav-

ing that will preserve Medicare for 10
years, but at the same time we have
also been able to offer a program that
will give our senior citizens more
choice on health care.

Furthermore, it will permit physi-
cians to group together to compete
against insurance companies. We think
that allowing physicians to be able to
group together to compete against in-
urance companies will give the con-
sumers having a leg up on the current
process. I am delighted it happened.

Furthermore, included in this is
something that is controversial, but I
want to commend the minority for
not giving in to the pressure that we
had a program to allow our senior citizens to
have more choice by being able to pur-
chase medical savings accounts in this
product.

In addition to that, we have also
got some control in the area of the home
health care and skilled nursing facili-
ties, which have been the most rapidly
growing portion of Medicare. We are
now going to have an item called pro-
spective payments where we do not
just turn the faucet on and let all the
dollars run out. We want to hold people
accountable for what they are spending
in this area.

So we have a variety of things in
this program that, in fact, will empower
seniors, give them more choices, we
believe improve the quality of care, and
at the same time save $15 billion over the
next 5 years that are very similar to what
we had proposed 2 years ago.

So I think this is just a terrific ac-
complishment. In the area of Medicaid
we have released the States from a
number of provisions designed by the
Federal Government to tell States how
to regulate the Medicaid program. We
have decided that there are some rea-
sonable provisions where the Governors
of our country ought to be given flexi-

delate to manage their program better
so that they can provide more care to
those who are in need of it without
micromanaging the program from
Washington. We think it is terrific.

And we did make a few reforms in
welfare where we took a look at what
we did last year, and we said if there
are provisions working well, we will
improve the bill, make it more compas-
sionate, we agreed to do it. But we did
not walk away from the basic commit-
ment that we made to the American
people to end the entitlement program,
to make sure that able-bodied people
go to work and to make sure that this
program will be run at the State level.

Now I want to just suggest today
that the ability to enact these pro-
gress is really a huge step forward in
what we are doing here. We are not
what can be generational warfare
in this country. We are by no means at an
end. No one who watches this debate
should think that everything is now
copasetic. It is not.

We are, in fact, going to have to
come back and give people more power,
more flexibility, more control of the
resources that they earn in their life-
time to invest in their own retirement,
in a retirement program called Social
Security where hopefully we can pre-
serve that program and yet let people
have more flexibility to earn more
money based on their earnings. We
know that there has to be a major
overhaul of the Social Security pro-
gram that will preserve, protect and

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Mr. SPRATT. Mr. Speaker, I yield myself such time as I may consume.

I cannot pass up the opportunity to observe, as I have before, why it is we are here at this moment. Five years ago, this gentleman, Jan. 13, 1993, just before George Bush left office, his Economic Report of the President came to the Congress and it indicted, projected, that the deficit for that year, fiscal year 1993, would be $332 billion. Within a few months, we passed in the House and in the Senate and sent to the President a deficit reduction plan, only with Democratic votes, passed by the skin of its teeth, which sought to cut that deficit in half over the next 5 fiscal years. The results are a matter of record.

The outcome of fiscal year 1993 to $255 billion, in fiscal 1994 to $203 billion, in fiscal year 1995 to $164 billion, and last year, September 30, 1996, the deficit was $107.8 billion. Both OMB and CBO projected that the deficit will be well below $75 billion on September 30, 1997, when we close the books on this fiscal year.

So we can credibly say that we are within reach of a balanced budget because of what we did at some political expense in 1993. This could be for many of us, a very satisfying moment. Instead, it is a little bittersweet.

Mr. Speaker, less than a month ago, we passed a budget agreement here in the House, sent it to the other body and they passed it as well, that deserved the name bipartisan. Mr. Speaker, 132 Democrats voted for that agreement, and today, 132 or more would come back to the well of the House and vote for it again if the budget agreement we made a few weeks ago were simply carried out, straightforwardly implemented in the bill that is before us.

Unfortunately, it is not. This bill does not fully realize the goals that we set for ourselves was to get at least 5 million children of the 10.5 million children in working poor families who do not have coverage covered by health insurance. We set aside an earmark $18 billion of new spending resources in this bill in order to accomplish that.

Unfortunately, the committee of jurisdiction in its mark of this bill gave a block grant that provides us no assurance that this $18 billion will be used on behalf of the children for whom it was intended. CBO has cast grave doubt as to whether we will even get a fraction of those children. So we have fallen short of a goal that we all ostensibly shared and should share, and that is, get at least half of that 10 million children covered. That is why I say this bill needs improvement.

Next, provisions were added to the bill that were never contemplated, never discussed in the course of the negotiations. In dealing with welfare to work participants, provisions were added that would deny workfare participants the protections of the Federal Labor Standards Act, deny them the right to be called employees and all the rights, benefits and privileges pertinent thereunder Federal law.

In dealing with the food stamp provision which now requires able-bodied food stamp beneficiaries between the ages of 18 and 30 to work in order to get their food stamps, we have provided $1 billion, in order to get to the floor to work and continue with workfare provisions. We have not realized that goal in the bill before us.

Then in this bill, which is a must-pass piece of legislation, everybody knows it is a moving vehicle and it is going on a fast track, some bitter pills were added by people who are ardent proponents of various projects that have no linkage to the budget reconciliation. This bill contains a new medical malpractice code, a far-reaching innovation for the Federal Government. I voted for that before. I have actually written the title, the Rowland-Billakis bill that dealt with it, but there are many Members on my side for whom this is a bitter pill to swallow. The same goes for the Hyde amendment, which I voted for before, but many Members on my side simply think it has made the Hyde amendment a bill something that they cannot support until it is removed.

Go down the list: 500,000 MSA’s, medical savings accounts, never discussed in our agreement, never contemplated, scored by the Office not to save money, and erode the Hyde amendment. I voted for the Hyde amendment, I voted for the Medicare $2 billion over the next 5 years, an expensive experiment.

So all of this is hard to swallow for Democrats. Some Democrats today, as...
President's veto threat, whatever the negotiations am betting that that same cooperation with me to work off a list of things worked in earnest and in good faith gentleman from Ohio [Mr. KASICH] worked in earnest and in good faith with me to work off a list of things that I thought we could correct here in the House. The budget resolution and the rule that was considered today. Much of that was accomplished in the self-implementing, self-executing rule that we passed just a few minutes ago.

In that same spirit of good faith. I am betting that that same cooperation will continue into conference so that we can, through one means or another, negotiations with the Senate, the President's veto threat, whatever the device may be, we can take this work in progress and bring it back to what it was just minutes ago. A Republican could call a balanced bill to balance the budget, a bill that is truly bipartisan, one that we can all vote for.

It is in the hope that we can obtain that objective that I will support this bill, but I say to all Members of the House, Democrats and Republicans alike, it is still very much a work in progress and it needs and requires a lot of work before final passage. Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. Without objection, the gentleman from Connecticut [Mr. SHAYS] will control the time of the gentleman from Ohio [Mr. KASICH].

There was no objection.

Mr. SHAYS. Mr. Speaker, I yield 4 minutes to the gentlewoman from Texas [Ms. GRANGER].

Ms. GRANGER. Mr. Speaker, I rise in strong support of the first balanced budget since 1989, the year that Neil Armstrong walked on the moon. Neil Armstrong's giant leap for mankind is the second thing I remember about 1969. Mr. Speaker, 1969, the last year the budget was balanced, was also the year my first child was born. I proudly watched that young man walk down the aisle to receive his doctor of jurisprudence just 3 weeks ago. That means my oldest son has not seen a balanced budget since the year he was born. My twins, born 2 years later, have never seen a balanced budget in their lifetimes. Today we can change that. The legislation we consider today will balance the budget by 2002, if not sooner. Our plan will put the Federal budget into surplus through the year 2007. This is the most important thing we can do for our children's future.

But this plan does much more. In addition to helping our children, this balanced budget downsizes Washington to the point that the savings decisions will stay with the people, with local communities. As the mayor of Fort Worth, TX, I learned that local communities need more power and less mandates from Washington. The balanced budget will continue today will reduce Washington spending as a percentage of the economy to the lowest level since 1974.

This plan keeps our commitment to our parents and grandparents by preserving Medicare. This balanced budget adds 10 years to the life of Medicare; it provides our parents with more health care choices as their children and grandchildren.

This plan keeps our commitment to education. I taught school for 9 years as a public school teacher, and I learned that there is nothing more important to the future of America than to make sure the deficit, a balanced budget will lower the cost of a typical student loan by nearly $8,000. College education will be more affordable to young men and women across this country.

This budget agreement keeps our commitment to operation by balancing the budget; our parents and grandparents by preserving Medicare; and America's future by making education for our children more affordable and available. Let us stand up for America's children, its seniors and its future and support this balanced budget agreement.

Ms. DELAURO. Mr. Speaker, I yield 16 minutes to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, I thank my distinguished colleague from Connecticut for that toast. Mr. Speaker, this budget bill that we have on the floor breaks the deal, and it does so not in one or two places, it does so in about 12 different areas, major areas of law.

What it also does, this bill and the tax bill we will consider tomorrow that the Republicans are rushing through this Congress will spawn the worst economic inequality that Americans have experienced in the past century. We are experiencing in this country today a situation in which those at the top are moving further and further away from the rest of the country.

We can see it. We used to be first in wages and benefits. Now we are 13th among Western developing countries. Eighty percent of the American people have not had a raise in wages since 1979. The top 20 percent are doing very well. The difference between the CEO in 1960 and the average worker was about 12 times difference in salaries. Today it is 209 times. They make 209 times more than the average worker. Now we are codifying all of that into law today and tomorrow.

The Republican tax bill we are going to deal with tomorrow gives more benefits to the richest 1 percent of Americans compared to the bottom 60 percent combined. The top 1 percent get more than the 60 percent. Rollbacks in the corporate minimum tax is a $232 billion giveaway. Look at the chart here. Back in the early 1960's the corporations paid roughly close to 25 percent of the tax burden, this country. It got down to about 7 percent in 1982.

It was so embarrassing to the Republicans and the rest of the country, because companies like Texaco and AT&T and Boeing were not paying any Federal taxes, so we put together a corporate minimum tax. It started to go up just a little bit since then. This bill sends us this back down by giving them a $22 billion break, when we add all of the breaks on capital gains, through incentive, a billion and a half million breaks or the period of outyears.

Another point I would like to make is that the Republican tax bill actually raises taxes on the bottom 40 percent of Americans. It gives all these breaks to the people at the top, raises taxes on the bottom 40 percent. If the Republicans were not writing this into law, I would call it robbery.

The second point, the tax and spending bills give giant corporations the power to create second-class citizens who do not have the same rights as the rest of us. I ask the Members, is it fair to deny some Americans their rights under the Family and Medical Leave Act that we all worked so hard for here, the Equal Pay Act, the Civil Rights Protection Act, OSHA safety standards?

Is it right to deny a person the ability to defend themselves against sexual harassment? Is it fair to pay workers on a contract basis, denying them the minimum wage, health benefits, pension? These are not things legislated, these are not things legislated on the basic principle that we are created equal, but these bills today and tomorrow say that some people, mostly families struggling to raise their children, are less than equal, that they do not deserve the same rights as other Americans. That is not just a slippery slope, that is a jagged cliff. If all Americans do not share the same rights, then none of us have them.

The third point, the Republican tax and spending bills violate the bipartisan budget agreement. Three of the most important violations are that it reneges on a third of the promised funding for education, shortchanging particularly students from working class families. It also reneges on health care coverage for 90 percent of the children who will be covered under the original agreement, and gives this funding to States with no guarantee that they are going to spend it on kids for their health insurance.

The agreement called for covering 5 million children, but the spending bill
not have access to health care today. It also effectively slashes funding for children's hospitals serving children from poor and working class families perhaps causing some of these vital hospitals to shut down.

The bill punishes working families and reward the wealthiest and big nations. More benefits to the richest 1 percent, and 60 percent of the rest of the folks, from zero to 60 percent, those benefits equal the top 1 percent. Is that just? Is that fair? We believe in a balanced budget, tax cuts for working families, and fairness. We will fight for that.

Tomorrow, with our tax bill that targets ours to working families, not the very wealthy in this country, we will fight that, and we will fight that today when we take on what the Republicans have done in the past with respect to what we believe is breaking the agreement.

Ms. DELAURO. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Connecticut.

Ms. DELAURO. Mr. Speaker, I thank the gentleman from Michigan for yielding to me, and want to pick up a couple of points he has laid out here.

I urge my colleagues to vote against this bill, because in fact it does violate the bipartisan budget agreement we passed earlier this month. In particular one of the areas where it is an outrage is where they have done in the whole issue of health care for children in this country. It denies working families the help they need to provide health care for their children. They have violated what basic tenet of this agreement. There is no assurance of coverage for at least half of the 10 million children in the Nation today who do not have access to health insurance.

Children living without health care coverage are not living to their full potential in so many ways in this country. They are less likely to have a family doctor, to receive preventive care, and they are less likely to have treatment for serious illnesses. They are less likely to grow up healthy and productive. The problem is not going away because every day in this country another 3,300 kids lose their health insurance.

Mr. BONIOR. That bears repeating: every day in this country 3,300 kids in this country lose health insurance because employers are cutting back on these benefits. Where are the kids going to go? This plan does nothing, nothing for them.

Ms. DELAURO. I might just add, Mr. Speaker, that the agreement clearly stated that employers would be spending more to cover half the kids. It has been estimated by the Congressional Budget Office that the bill would cover only 520,000 of those 10 million kids. That is coverage of less than 20 percent of the children who do not have access to health care today.

I might add that the children who do not have access to health care today are the sons and the daughters of working families. These are people whose fathers and mothers are working every single day in order to protect their kids, and they are without health insurance.

This bill offers no assurance that even one additional child will receive health care. Where are the Republican colleagues who have done is instead they are going to send this money to the States with no requirement at all that the funds be used to give kids the health care that they need. There is nothing that says that this money needs to be used for health insurance for kids today.

The Republicans in fact are turning their back on working middle class families today. They are going to not allow our youngsters to grow up healthy and strong.

Mr. BONIOR. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. DOGGETT. Mr. Speaker, I voted for this balanced budget agreement.

Mr. BONIOR. I did too. So did the gentleman from Connecticut [Ms. DELAURO].

Mr. DOGGETT. Really, is not the measure what one would properly call a reconciliation bill, in that it wrecks the balanced budget agreement?

Mr. BONIOR. I agree 100 percent. In that it wrecks it on a number of fronts, some of which we have just talked about.

Mr. DOGGETT. Indeed, when we talked about getting a balanced budget agreement that has true balance. I always thought the idea was that there would be shared sacrifice, shared burden, but it would appear that those at the top of the economic ladder now get to share, and those that are trying to climb up, they just get the burden. Does it appear that way to the gentleman?

Mr. BONIOR. Mr. Speaker, I think the gentleman is absolutely correct. We can tell from this graph on the tax piece that the multinational corporations and giant corporations get a $22 billion break. We are talking about, as I said earlier, the top 1 percent. Getting as much in benefits as 60 percent of the American people, working Americans in this country. Where is the justice? Where is the fairness there?

Mr. DOGGETT. If there is a family out there, maybe both parents having to try to work just to make ends meet and at the same time trying to create a good family environment for their kids. If they work for someone that does not provide health insurance, this bill, this reconciliation bill, says to them, you have to go forward with no health insurance, but it says to a giant multinational corporation, can we cut your taxes a little bit more?

Mr. BONIOR. Mr. Speaker, the gentleman is right, he has got it. That is exactly where we are hedged on this bill here. It is reneging on the promise that was made over the agreement. It is inequitable, it is unfair, and puts the burden on those who can least afford to bear it.

Mr. DOGGETT. Indeed. For the ordinary young working families, does this reconciliation bill really offer them much of anything?

Mr. BONIOR. I yield to the gentleman. It offers them virtually nothing.

In terms of the budget, let me just tell my Republican colleagues and those Members on the floor here, it was in 1993, if we are talking about offering people a balanced budget, it was Demo-

crats on every single vote that passed that bill that cut reduced the deficit from $300 billion.

It was in 1993 that we passed the balanced budget in this country. The bill was at about $300 billion. That bill, that was supported by Democrats on, not a Republican in the House and Senate supported that. It forced the deficit down from an annual $300 billion deficit all the way down to roughly $60 billion this year.

What are we trying to do is maintain that, that maintain that progress, and make it equitable in terms of working Americans.

This bill does not do it. It moves us back in the opposite direction, with huge outyears, deficits in the outyears, because of what we will see tomorrow in the Republican bill on taxes by indexing capital gains. It does not distribute the benefits fairly in this particular bill, as it does in children's health care, as we have discussed with a variety of other issues in terms of the workplace.

Mr. DEFAZIO. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Oregon.

Mr. DEFAZIO. Mr. Speaker, the gentleman just made the most salient point there. The cuts today are designed to cut taxes for the largest corporations in America and the wealthiest in America and move the money to the wealthy and big business, and a freeze to the year 2002.

Let me just read from one constituent, of the many letters I got: Dixie McNutt, Springfield, OR, my hometown. Dixie says, "Having oxygen allows people like me to enjoy the comforts of home and to feel as though we are still an active part of the family. Without this benefit, the choice seems to be living at home without breathing, or spending our remaining days in the hospital, which would cost both Medicare and the patient much more."

So today, Congress will cut $2 billion of some health oxygen benefits for seniors and the disabled to pay for one-tenth of the repeal and the gutting of the alternative minimum tax for corporations, because it will be too much, too much to ask the largest corporations in America to just pay maybe 5 or 10 percent of their profits in taxes, a fraction of what working Americans
pay out of their paycheck every month. This is a travesty. It should not pass. I stand against this bill.

Mr. BONIOR. I thank my colleague.

Mr. Speaker, what we have here is a replay, really, of the last Congress. They are taking dollars out of children’s health insurance funds, dollars that were intended for children’s health insurance benefits, they are taking benefits away from workers all over this country, and where are they putting it? They are putting it into taking care of the biggest corporations in this country. They are putting it into the wealthiest individuals in this country. It is indeed one of the biggest transfers of wealth we will see here in many a moon.

Mr. KENNEDY of Rhode Island. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Rhode Island.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I think what this reconciliation bill really does is it shows where the majority party, the Republican party’s, true priorities are. Clearly, their priorities are not with our Nation’s smallest citizens, we are not going to get the cold shoulder because of the MSA accounts that are provided for in this bill, which basically allows the skimming to be done by insurance companies, so they can get the healthiest and wealthiest who do not have to pay the deductible, and be able to target those very healthy and wealthy people, leaving the poorest elderly, the most frail elderly, the ones that have the most costs to bear with respect to that.

In addition to that, the bill also, as the gentleman said, makes sure that we do not provide the needed investment for health insurance for children, making sure that all the children in this country get the necessary health care that they need.

Finally, as the gentleman mentioned, all that they wish is to shift the burden of our taxes from the top 1 percent of this country to the bottom 60 percent. I think the gentleman pointed out correctly that, is it not correct that the tax cut that this reconciliation bill provides for, including the tax bill, has a tax cut larger for the top 1 percent than for the aggregate of the bottom 60 percent?

Mr. BONIOR. The gentleman has stated it correctly. The top 1 percent gets almost as much as the bottom 60 percent in this country.

Mr. KENNEDY of Rhode Island. While the senior citizens do not get the necessary health insurance, as my colleague, the gentleman from Oregon, just mentioned, while children do not get the necessary health insurance they need, and while legal immigrants still go without SSI, based upon the Republican discriminatory bill with respect to our legal immigrants not being provided adequate SSI coverage.

Mr. SANDERS. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Vermont.

Mr. SANDERS. Mr. Speaker, let us put this bill into the context of what is happening in America today. Everybody knows what is happening. The richest people are becoming richer, the middle class is being squeezed, and most of the new jobs being created are low-wage, low-pay jobs. Given that context, what sense is it that we have legislation under which 58 percent of the benefits go to the top 5 percent, corporations see a reduction in their tax burden, while the bottom 40 percent of income earners see no benefit at all? We have got this thing completely backwards. We are helping those people who do not need help, and we are not helping those people who are in desperate need of help. Furthermore, under this legislation, Medicare will be cut $115 billion over a 5-year period.

The Vermont Association of Hospitals estimates that will be a $75 million cut from hospitals, rural hospitals all over America who will be hurt, meaning there will be lower quality health care for our senior citizens.

Tax breaks for the rich and the people who do not need it, cuts in Medicare and a reduction in the quality of health care for our senior citizens, those people who do need help. I urge a “no” vote on this absurd piece of legislation.

Mr. SHAYS. Mr. Speaker, I yield myself 1 minute, to say that tomorrow we will be debating the tax bill. As the bipartisan joint tax committee of Congress estimates, 76 percent of all the benefit goes to people who make less than $75,000, totally contrary to the facts that have been shouted out in the last 20 minutes. Ninety-two percent of the benefits go to people making under $100,000.

We will be debating the tax bill tomorrow. It will be very, very clear who benefits. We will realize the people who benefit are the middle class in this country. Today we are debating a spending bill, a spending bill that allows spending to go up 3 percent a year, that allows Medicare to go up at 7 percent a year each year, not a cut, a significant increase.

Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Tax relief for the rich is a tax relief for the gentlement for yielding me the time. It is not necessary to stand here and yell when we have the facts with us. We definitely have the facts with us.

That is that 76 percent of the tax cuts that we are going to be talking about today, the rich in America, the American families, goes to families earning less than $70,000.

Now, people listening to this debate would wonder, where in the world are these figures coming from that are being stated. I will yell on the floor and all of these graphs and all of this yelling and signs that are going up? I can tell my colleagues where they came from. Treasury came up with an archaic formula in which they determine somebody’s wealth by taking the rental value of the home that they own and add it to their income, the earnings of corporations in which they might own a few shares of stocks and putting that upon the value of their resources such as their automobile. Come on.

Unless the Democrats are going to come out and try to tax that, then this is an absolutely absurd argument. So let us get some truth here on the floor.

Let us look at the tax cuts of the top 1 percent. They are not yelling at each other, that we are simply talking facts. If we are putting that type of income on top of somebody when we start to try to come up with all these figures that simply are not true, I think that at that time we owe it to the American people, we certainly owe it to our colleagues to get up and say how did we determine that income. We do it by simple math and by the amount of earnings that people have. The facts are very clear.

This is the first tax relief the American people are getting in 16 years. There are some Members that are here on the floor debating that just cannot stand that idea. But I can tell my colleagues, Democrats and Republican alike are going to carry this day and we are going to get the first tax relief for the American families for 16 years. That is what is in this debate.

Mr. SHAYS. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. HAYWORTH], who will point out that taxes went up in 1993 and are going down in 1997.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from Connecticut for yielding me this time.

I am pleased to follow my chairman of the Subcommittee on Human Resources of the Committee on Ways and Means. I have been listening Mr. Speaker, with great interest to the cavalier fashion in which facts are replaced facts on the other side. It is sad to see that happen.

I do not think the point can be made often enough that when you cook the books, as the liberal minority has done, in the process you fricassee the facts.

Mr. Speaker, I do not know of anyone, including my friends on the minority side, I do not know of anyone who wants to see a limited and empowered government, only in Washington do we see this kind of math.

To hear the minority whip come up and talk about the balanced budget taking shape in 1993, I was a private citizen, I now exactly what happened. In 1993, the largest tax increase in American history. It took a new Congress cutting spending, it took a new Congress coming in and saying, let us
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reverse the culture of tax-and-spend to take the first fledgling steps in reducing by $50 billion the size of government to make it limited and effective.

And the truth of this tax cut, Mr. Speaker, is the following: 78 percent of the tax cuts go to benefit middle-income families, families making between $30,000 and $75,000 a year. And in my district in Florida, Sarasota-Bradenton, Florida area, we have more seniors than any district in the country. So it is important to me for all the seniors in my district, I have an 87-year-old mother that is dependent on Medicare for her treatment.

But it is also a big jobs issue in my district with the hospitals and home care agencies and the doctors’ offices, all needing their jobs, depending on this. So we need to preserve that program and save that program.

How are we going to do that in this bill? What do we basically is we slow the rate of spending in Medicare. We slow the rate of spending so we are going to spend more money every year in Medicare. Right now we are spending about $5,200 per person on Medicare. In 5 years we will be spending $6,900 per person. What we are going to do is go after waste, fraud, and abuse and we are going to give more choices to senior citizens.

It is a good program. I encourage my colleagues to support this. I hope we get strong support on the other side of the aisle.

Ms. DeLAURO. Mr. Speaker, how much time remains of my time?

The SPEAKER pro tempore [Mr. DREIER]. The gentlewoman from Connecticut [Ms. DeLAURO] has 36 minutes remaining, and the gentleman from South Carolina [Mr. SPRATT] has 20 minutes remaining, and the gentleman from Connecticut [Mr. SHAYS] has 68 minutes remaining.

Ms. DeLAURO. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Speaker, three points on taxes. I hope the Republicans will listen. The 76 percent for families less than $70,000 is based on 5 years, apparently. We have never seen the analysis. I challenge them, give us a 10-year analysis. There is legislation that breaks the second 5 years. Give it to us.

Second, Treasury, using the same methods used by the Reagan Treasury and the Bush Treasury, say two-thirds of the tax cuts under your bill go to the wealthy, the same method that was used by previous administrations.

Third, they bust the budget in the outyears. They bust it. So come here not with phony figures. Come here with the facts and we will debate them.

Mr. SHAYS. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky [Mr. BUNNING], who is a member of both the Committee on Ways and Means and the Committee on the Budget.

Mr. BUNNING. Mr. Speaker, I would like to say to my good friend from Michigan, he knows full well that the numbers we use are adjusted gross income numbers and they are factual. And just because Ronald Reagan and George Bush’s Treasury Departments made a mistake, it is no sign that the Clinton administration has to continue making the same mistakes.

Mr. Speaker, I rise in strong support of the Balanced Budget Act of 1997. I am especially proud of the Medicare reforms in this bill, about a 7-percent increase over the 5 years, each year.

Since Republicans took control of Congress, we have been working very hard to save, preserve and strengthen and protect Medicare.

The bill before us today does save Medicare from bankruptcy for at least the next 10 years and gives us time to figure out a long-term fix for the problem. But I think the most exciting part of this package is that it gives seniors more choices in picking the health care plan that best fits their needs.

I know some of the seniors like what they have right now. They do not want to change a thing. Fine. They do not have to move over to plan B for part B. They can simply do what they have been doing. But if they want to change, seniors will now be able to shop around for a PPO, an HMO, a medical savings account, another health care plan that covers something that Medicare does not cover right now like prescription drugs or eye glasses. And it will be paid for by Medicare. They might even be able to choose a new policy that allows them to get rid of Medigap supplemental plans that they are paying extra for right now.

In rural States like Kentucky, where folks sometimes do not have as many health options, this bill enables doctors and hospitals and other providers to band together to set up provider service networks to give seniors even more choices. Letting seniors choose, forcing health care providers to compete or their business are the keys in this Medicare reform package. This holds down the cost and saves enough money to keep Medicare going for years.

Of course, we also save a lot of money by making the important changes like reforming the medical malpractice rules and cracking down on waste, fraud and abuse.

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But by empowering seniors, by giving them more choices, we take the biggest strides towards reforming and saving Medicare. By exercising the power to change, seniors will do what the Bush Administration will do most towards saving Medicare: they will make the Washington bureaucrats, control their own futures.

I urge support of this bill and all the good things in it.}

Ms. DeLAURO. Mr. Speaker, I yield myself 10 seconds. I think it bears merit to remember that it was the Republican majority in this House that wanted to cut the Medicare Program by $270 billion to pay for a tax break. $245 billion for the richest people in this country. It was the President and the people of this country that said no.
Mr. Speaker, I yield 2 minutes to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Speaker, I voted for the budget agreement approved last month because I do believe that our Nation must have a balanced budget that protects our priorities and respects our values. But, unfortunately, the Republican leadership did not even wait for the ink to dry on the deal before changing it.

In fact, the bill before us violates the budget deal in several critical ways. First, it fails to provide basic assistance to legal immigrants, which means that 16,000 elderly and disabled legal immigrants in New York will have the safety net cut out from under them.

The bill cuts more than $12 billion from hospitals and other health care providers in New York, and the children's health program fails to provide coverage for more than 4 million children. It denies American workers basic workplace protections, and it will hurt seniors and their families who depend on quality nursing care.

And this bill violates the basic reproductive rights of American women. Tucked away in the fine print of this legislation is an extreme provision, the Hyde amendment, that would permanently, for the first time, prohibit the use of Federal funds for abortion. This punitive prohibition would prevent millions of lower income women from obtaining vital reproductive health services and would personally create a two-tiered health care system.

We must not allow this to occur. Federal health programs must cover the full range of reproductive health care services, including abortion. This abortion restriction was not in the budget deal, and it should not be in the budget bill. We must not allow the Republicans to use the budget process to enact their radical anti-choice agenda. Again, the abortion restriction was not in the budget deal; and, therefore, it should not be in this budget bill. I urge my colleagues to defeat this legislation.

Mr. SHAYS. Mr. Speaker, it is my pleasure to yield 3 minutes to the gentleman from Oklahoma, [Mr. J.C. WATTS].

Mr. WATTS of Oklahoma. Mr. Speaker, I rise in support of the Balanced Budget Act of 1997. We have a historic opportunity to come together in a bipartisan fashion and deliver on our promise to the American people to have a balanced budget by the year 2002.

As we debate this today, there are going to be people on the left and right arguing and bickering about programs that they want added or taken out; but we cannot allow this to divert our attention from the big picture. This is the first balanced budget in over 30 years. And it is interesting, it is the first tax cut in 16 years; and it is even more interesting that Tiger Woods was 5 years old the last time we had a tax cut.

We always hear, and we will continue to hear today, that the rich are getting the tax breaks. Let me tell my colleagues, as it has been said: 76 percent of our tax cut goes to people making from $25,000 to $75,000 a year. Let me tell my colleagues: Somebody making $75,000 a year in America that has two kids, they are working from paycheck to paycheck to try to meet their monthly responsibilities.

We keep hearing that we are getting tax cuts for the wealthy industries, wealthy businesses in America. Over 90 percent of the businesses in the Fourth District of Oklahoma employ six people or less. So can we really be raving about this budget deal because they know they are going to get some relief from the ridiculous tax policies, these repressive and aggressive tax policies that we passed over the last 25 or 30 years?

When I came to Congress, I promised the people of the Fourth District of Oklahoma I would work to make Government live within its means, just like all the working families in Oklahoma and across the Nation must do every month.

I have five kids who I am trying to teach how to be responsible, and I know they are always watching their dad to try to see if he practices what he preaches. So today, when I cast my vote for fiscal responsibility and balancing the budget, I am showing my kids that I am serious.

Balancing the budget is the right thing to do. And if every Member in this Chamber does not vote to balance the budget because it is the responsible thing to do, then do it for your children so they will not have to inherit an America as pathetic as it is today, where you have got working families paying from 48 to 52 cents of every dollar they make in some Government tax or Government fee by the time they are 25 years of age.

My father taught me at an early age that you cannot spend out more money than you take in, and he said this: If your outgo exceeds your income, then your uplift will come to a downfall. That is pretty good advice to remember as we debate the balanced budget here today. It is advice I must follow in teaching my kids.

Friends, I urge everyone to support this balanced budget. It helps control runaway Washington spending, saves Medicare. Only in Washington, DC could an increase be a cut. It saves Medicare. We increase Medicare spending and provide much-needed tax relief for farmers. That is progress.

Ms. DELAURO. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Speaker, I am not sure that there is a language in the vocabulary adequate to describe my level of disgust with this bill. The Republican majority began this process with proposals reported out of the Committee on Ways and Means and the Committee on Education and the Workforce that represented the most pernicious assault on the working poor I have witnessed as a 29-year Member of this body.

In response to the chorus of outrage that rang out against those proposals, the majority fabricated window dressing to make their proposals seem more moderate. But this new manager's amendment, rewritten by the Committee on Ways and Means late last night, remains unfair, immoral and unconscionable.

Mr. Speaker, I have three fundamental objections to this bill. First, it establishes a new class of workers who would be treated like indentured servants without coverage under the landmark worker protection and civil rights laws. Second, it concocts a scheme of watered-down grievance procedures and remedies that would render millions of workers unprotected from discrimination and exploitation.

Finally, Mr. Speaker, while the rich are getting the tax breaks, millions of lower income women from Oklahoma and across the Nation will have the job security and financial well-being of millions of current public sector employees by establishing a weak set of nondisplacement protections.

Here is why this proposal treats poor workers like second-class Americans. It denies so-called community service participants employee status and purports to use the old CWEP Program as precedent. But that program was quite different from the workfare program established in this proposal. Whereas that program had a strong training element, the community service program established by this proposal is work, pure and simple.

Community service workers will be employees in every sense of the term. They will sweat like other workers, their children will get sick just like the children of other workers. And these workers have dreams and aspirations for their families just like other workers.

But this proposal says no, they are not the same and they do not deserve full respect and dignity. Although they will be employed to perform the same tasks performed by other workers, these welfare workers will be denied the protection of the Fair Labor Standards Act, the Occupational Safety and Health Act, the Family and Medical Leave Act and the many other important Federal laws. And those employed by nonprofit private sector employers will be denied the right to organize or bargain collectively.

The grievance procedures established in the rewritten proposal are a house of courts, substantially weaker than protections adopted by the Republicans on the Committee on Education and the Workforce. There is no provision to ensure that the grievances will be fairly heard and adjudicated. In a real blow against due process, there is no appeal from what may well turn out to be a kangaroo court.

An example of how outrageous these grievance procedures are. A woman who has been sexually harassed may be required to seek redress from the very agency
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where the harassment occurred. Under this proposal that woman would not be entitled to a fair hearing, or the right to appeal an adverse decision. What have poor women done to deserve such indignity?

Finally, protections that were included in the education and work force proposal to ensure that community service workers are not used as scapegoats for drug enforcement have been gutted. As reported by the Committee on Education and the Workforce, a welfare worker could not be assigned to an equivalent job if another individual was on layoff status. That provision has now been effectively stripped. As reported by the committee, a welfare worker could not be assigned to a job if a consequence of that assignment was the partial displacement of an existing worker. Those protections have also been deleted.

Mr. Speaker, this legislation is nothing short of a bill of exploitation that will leave workers more vulnerable to racism, sexism, and unsafe workplaces. Rather than encouraging work, these provisions demean workers. I urge its resounding defeat.

Mr. SHAYS. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. ARCHER], chairman of the Committee on Ways and Means.

Mr. ARCHER. Mr. Speaker, I thank the gentleman from Connecticut [Mr. SHAYS] for yielding me the time.

Mr. Speaker, today marks a great and a historic day. We are poised to vote on a matter that united Americans from coast to coast. We are ready to vote on a bill that brings the American people together like no other legislation before us.

With this vote, we can balance the budget to save the next generation from the crushing burden of debt, and we can save Medicare from bankruptcy so this generation of seniors can live their retirement years in peace, comfort, and security. It is high time that Washington put the needs of the American people first, and that is what we will do with this bill.

This legislation is bipartisan. Our plan to save Medicare was supported in the Committee on Ways and Means by a 36 to 3 vote. We came together, like the American people want us to do. We will save Medicare by giving seniors choices, by fighting fraud and abuse, and we even expand Medicare's benefits to include new preventive programs that seniors, particularly women, need and deserve.

We help people move from welfare to work by reinforcing the central message of last year's welfare reform law: If you are able to work, you should work. Welfare should not be a way of life. Yes, we made changes in last year's law. Many of the changes were recommended by President Clinton, and I am proud to say we uphold our Nation's values by helping people earn a paycheck instead of a welfare check.

I am particularly pleased that with this bill we will finally have a balanced budget. A citizen was born last year, a little 2-pound premature baby. And when I looked at him in that incubator, I realized that when he grows up, his pro rata share on the national debt would be $185,000 during his lifetime.

It is unconscionable for our generation to leave that to our children and our grandchildren. And, for once, we will finally move toward a balanced budget and stop this continued increase in debt service charges for future generations.

Mr. Speaker, I yield back the balance of my time.

Ms. DELAURO. Mr. Speaker, I yield myself 10 seconds.

Mr. Speaker, the fact of the matter is that this spending bill takes away hospital and nursing home revenue, and inadequate reimbursement. Medicare solvency comes up 2 years short of the budget agreement. And there are deep cuts in the disproportionate share which adversely affect hospitals across this country. We are not improving the health of people in this country.

Mr. Speaker, I yield 2 minutes to the gentlewoman from New York [Ms. VELAZQUEZ].

(Ms. Velázquez asked and was given permission to revise and extend her remarks.)

Mr. VELAZQUEZ. Mr. Speaker, today we will vote on the Republican spending bill. The Republicans will say that this is a middle-class budget. Do not believe it for a minute.

In fact, the Republicans are financing tax cuts for the rich by waging war on working families and legal immigrants. And when they talk about a balanced budget, they do not finish the sentence. They should add that they are balancing the budget on the backs of legal immigrants and working families in our country. Not only that, but they are violating the terms of an agreement that they and the President, the Democrats, and to the American people.

The Republican tax plan will give $27,000 in tax breaks to the wealthiest 1 percent. At the same time, they want to eliminate benefits to legal immigrants, who are paying taxes. And when they talk about a balanced budget, they do not finish the sentence. These are people who have worked hard, raised families, and paid taxes. These are American values and they are values that immigrants to this country hold dear to their hearts.

Disability benefits are not handouts. How many times do we have to say this?

Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. STARK], the ranking member of the Subcommittee on Health.

Mr. STARK. Mr. Speaker, I asked and was given permission to revise and extend his remarks.

Mr. STARK. Mr. Speaker, I want to say on behalf of myself and many of the committee's Democrats that we would like to commend the gentleman from California [Mr. THOMAS], the full Committee, and the Subcommittee on Health's staff director Chip Kahn for an open and consultative and bipartisan approach to the Medicare legislation. It is really a model, I suspect, of how the legislation should be written. I am not sure I can quite make myself say that it is a model of legislation, but it was done in a tradition of...
past Medicare bills. It extends the life of the Medicare trust fund to 2007, it makes reforms in the way we pay providers, and it indeed adds some beneficiary improvements. I do not intend to vote for the budget bill, but it is not because I do not support its portion. If anybody was thinking of that, I would dissuade them otherwise.

There are some things we should strongly oppose and do differently. We should oppose the Senate's provision to raise the age to 67, which causes more problems than it would prevent itself. I think we should oppose the Senate's copay provisions because we already charge Tiger Woods on $10 million, $300,000 a year for the same premium that somebody at $10,000 a year would pay $300 for and get the same benefit. Why punish Tiger Woods twice?

The managed care provisions need consumer protections on emergency appeals, and there are some antifraud provisions that we should add. We are going to see a report in the next few weeks that we are spending $20 billion, I think, on fraud. That needs to be improved. We can do that.

Mr. Speaker, I would urge my colleagues to applaud the work that was done. I would not have picked $115 billion as a cut, but that was the number given to our subcommittee and, considering that, they did a fair job of spreading those cuts to do the least amount of harm. Nobody liked it. If anybody had been smiling in the room, we probably would have had the wrong bill. But it was a good job, and I commend the chairman of the subcommittee for his work.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], a valuable member of the subcommittee.

Mrs. JOHNSON of Connecticut. Mr. Speaker, let me commend the gentlewoman from California [Mr. THOMAS] for bringing forth a very thoughtful, constructive and bipartisan bill out of the subcommittee. It meets the goals of the budget resolution of extending the life of the Medicare Trust Fund until 2007, but it also makes sound structural changes to better control costs in the Medicare Program which will be especially important when the baby boomer generation begins to retire in 2010.

It increases spending per Medicare beneficiary from $5,480 this year to $6,911 in 2002. Most importantly, it gives Medicare recipients better choices of the kind of insurance coverage they want to select. It gives better choices and it gives better benefits. It has a good preventive package, annual mammograms, comprehensive testing opportunities for prostate cancer, and adopts the prudent layperson's standard for emergency room care. So it guarantees access to emergency room care.

It also guarantees seniors who want to try a managed care plan that they can go back to not only Medicare but to their Medigap policy, thereby guaranteeing them the opportunity to try the kinds of plans that will provide far more benefits for the Medicare dollar.

Finally, it strengthens the protection for those who choose Medicare by strengthening the consumer protection package that governs Medicare managed care plans, providing more timely appeals procedures and in other ways strengthening those benefits. Equally importantly, it provides the opportunity for direct providers of services, doctors and hospitals, to get together and provide a managed care plan for the seniors in their area, a plan in which the medical decision will be totally controlled by the medical providers. This will guarantee better quality in all managed care systems, whether they are provider sponsored or whether they are insurance company sponsored. This is a giant step forward for health care for seniors in America.

Mr. SPRATT. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. RANGEL], the ranking member of the Committee on Ways and Means.

Mr. RANGEL asked and was given permission to revise and extend his remarks.

Mr. RANGEL. Mr. Speaker, this is one of the most important periods, I think, in our Nation's history, because it gives us an opportunity to reflect who we are and what made this Nation so great. I think the test is, how do we who are newcomers to this continent treat those who are even more new? As we move into world trade, our greatest asset is the diversity, because with the exception of the Native American, we have the benefit of all of the cultures of the entire world in this great country, and I am fortunate to have a lot of it in my great city of New York.

How many of my colleagues just enjoy thinking about how generations ago, from whatever country, whether it was in Europe or some other country, or whatever generation to this country, many not with a lot of education or a lot of wealth but they came with a lot of hope. Many of them came illegally because we did not have the sophisticated way of checking. But we are not looking for them. Because those who came had on the docks people who came before them waving and screaming saying that these people are going to make a contribution to this great country. Even those of us who came in chains are saying, "This is a great country." Even the Native Americans are not asking to leave. It is a great country.

But with each wave that came, there was some group of people that wanted to hurt them. Ask the Jews, ask the Irish, ask the Italians. There was some group that came here that said the next group was not good enough. Because we Americans are so good in our thinking, we do not ask who was that group that was stamping the hands of those people who were climbing into America to become great citizens, but today the other side has put for the record who they are.
Mr. Speaker, I yield 3 minutes to the gentlewoman from Washington [Ms. DUNN], a member of the Committee on Ways and Means.

Ms. DUNN. Mr. Speaker, I am pleased to speak in support of the provisions in the Balanced Budget Act that strengthen the welfare reform law signed into law last August by our President. We have made several improvements to our new welfare system, improvements that reinforce the value of work, not the dependence on welfare.

These changes also reflect a good-faith compromise that was made with the President on the transition from welfare to work for noncitizens. Our new bill maintains our basic policy on the matter of welfare and workfare for noncitizens as a policy that is based on the belief that taxpayer-funded assistance should be reserved for people who are citizens of the United States.

The budget reaffirms that people who come to America will be welcome to pursue the opportunities of our great Nation, but not to go on welfare. We encourage those individuals to seek support not from the taxpayer but from their relatives and their sponsors, as has long been the law in this Nation.

We came to a compromise, Mr. Speaker, on the issue of benefits for elderly and for disabled noncitizens who were already receiving assistance before the welfare reform bill was passed last August. To them this bill says: You will not be asked to play by different rules. The rules of the game will be the same. If you were in a nursing home on August 22, 1996, you will retain that benefit. If you were receiving SSI last August 22, you will continue to receive that assistance.

We have set $9 billion aside, and I will make that loud and clear; noncitizens getting benefits on August 22, 1996, are grandfathered, period.

In the era of the minimum wage, we guarantee that those on workfare will receive the minimum wage, but we also believe in calculating this minimum wage that food stamps as well as cash be considered. That total will determine how many hours of work a person will work.

The bill also includes a $3 billion welfare-to-work grant which specifically is targeted to the hardest hit. This money will be provided to areas with the highest concentrations of poverty, unemployment, and people on welfare. This grant truly will focus resources on the areas most in need. This is new money since last year's bill was signed, and it is another effort to get welfare money to people who truly need these dollars.

Mr. Speaker, I urge my colleagues to support this budget.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. DAVIS].

Mr. DAVIS of Florida. Mr. Speaker, I rise in qualified support of the budget resolution. As a member of the Committee on the Budget, I have worked hard with the gentleman from South
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CAROLINA [Mr. SPRATT] and others to try to conform the budget resolution to the budget agreement, and to strike the balance between protecting our Nation’s priorities and securing a reasonable approach toward a balanced budget. The budget agreement in fact did do that.

Unfortunately, the agreement just barely does that now. It still continues to balance the budget, and I will vote for it today for that reason, because it also protects our most important priorities. We are dangerously close to unraveling this agreement because of many extraneous matters that have been left in it, including some of which were specifically agreed not to be pursued as part of the budget agreement.

Let me share with the Members two of the more egregious examples. One is the alterations to the Federal Labor Standards Act. We have discussed, that have the effect of reducing people who are moving from welfare into work to second-class citizens in terms of some of the protections we otherwise afford to employees.

The second provision, which was specifically agreed not to be included in the budget agreement, was to treat legal immigrants differently with respect to eligibility for disability benefits. These are two provisions that must be fixed in the conference committee in order for this budget agreement, that is the Budget Reconciliation Act, to pass.

I will vote for it today, but let us not repeat the same mistakes we made on flood relief. Let us not load up what otherwise could be a good bill with unrelated matters that will have the effect of forcing a veto and taking us off track.

Mr. Speaker, I rise in qualified support of H.R. 2015, the entitlement reform portion of the budget reconciliation package. I strongly supported the budget agreement and the resolution. I believe the agreement represented a fair compromise and a good first step in restoring fiscal sanity to our Federal budget process. Now, a little over a month later, with the details of the plan filled in, there are serious questions whether certain provisions in the bill before us today violate both the spirit and the letter of the agreement.

Last Friday, I voted for this bill, in committee, with the clear understanding that a manager’s amendment would be offered to fix many of the most egregious shortcomings in this bill. Some of them, such as the protection of low-income Medicare beneficiaries, the expansion of children’s health coverage, and the minimum wage security for participants in workforce, have been modified. Unfortunately, critical differences have not yet been resolved on a range of issues including the restoration of benefits for those who were explicitly included in the agreement—and the application of all Fair Labor Standards Act protections to workforce participants.

I am concerned that we are again set to play politics and brinksmanship on an issue of vital importance to the American people. Last month, Congress loaded up the disaster supplemental appropriations bill with extraneous provisions the President was certain to veto. After weeks of stoppages, causing serious problems for the flood victims, we finally stopped the wars of rhetoric and posturing, and sent an appropriate bill to the President.

Now I am concerned that a similar mistake will be made on the balanced budget agreement—trying to push the President into a corner by not allowing him to have a place in a deficit reduction package. For example, medical malpractice reform is a serious issue which warrants serious consideration outside of this reconciliation bill but which only jeopardizes the chances that this package will ultimately be enacted into law.

Ultimately, many of the issues will be addressed in the conference committee, the next step for this bill, and I will support the package today as a recommittal to the goals of the bipartisan budget agreement and in an effort to move this process forward to conference. My hope is that by the end of the conference, we will all be able to enthusiastically support the reconciliation bill representing both the letter and the spirit of the historic bipartisan agreement.

Mr. SHAW. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. English], a very valuable member of the committee.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in strong support of the Balanced Budget Act, in part because this legislation contains a vital $3 billion welfare-to-work grant program to create a path for long-term welfare recipients to enter the work force. For welfare reform to work, we must give the States and the localities the flexible tools they need to provide a transition for people to leave welfare, to escape the poverty trap, and to enter the mainstream of the American economy. This program, developed in the Committee on Ways and Means, does just that.

Mr. Speaker, the focus of this funding is on areas with the highest concentrations of poverty, unemployment, and welfare enrollment, so resources will be available to those areas with the greatest need. We know we do not have sufficient programs for incentives currently to help welfare recipients with little work experience successfully enter the work force. This program, coupled with the expanded work opportunity credit, and the new welfare-to-work credit contained in the tax section of our budget, create real opportunities for the able-bodied poor to participate in the productive economy. It will encourage States policy creativity in developing local solutions to move people from welfare to work.

There is also a strong workforce provision in this bill. Just to remind the folks on the other side of the aisle, it contains protections for minimum wage workers. In the case of the 40-hour work week, for antidiscrimination legislation, protections for health and safety, protections for nondisplacement, and a grievance procedure. To listen to the speeches on the floor this morning, we would think they have not read the bill.

Mr. Speaker, I urge all of my colleagues on both sides of the aisle, especially those representing depressed urban communities, to support this legislation and provide the assistance their constituents need to get out of the welfare trap.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. Pomeroy].

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I intend to support the bill before us, although I find it to be a disappointingly close call. We are early in the legislative process on actually carrying through this historic balanced budget agreement reached earlier between congressional leaders and the President, and affirmed earlier by this Chamber in the budget resolution. Now that we get down to the actual business of the legislating language. I find that the reconciliation bill we have before us today carries forward the agreement and the resolution, getting us on a balanced budget footing. Unfortunately, it fails short of the guarantees explicitly that are part of the agreement, like the commitment to extend coverage to children.

In other areas, totally nonbudget items are jammed onto this bill, much like the nondisaster aid items that devolved us so in trying to get relief to the flood-striken areas for weeks.

An area here that I find most disturbing is the expansion of portability and health insurance coverage Act, known as EPHIC. It is the old multiple employer welfare arrangement rejected in the last Congress, that has again been jammed into this bill. This provision, if ultimately enacted, would define and ultimately reduce millions of people in the workplace from their State-provided consumer protections in dealing with health insurance. Do we think that is a good idea? I certainly do not. But it is an important concept that, at least, would warrant debate.

When I went to the Committee on Rules to seek, along with a Republican colleague, a stand-alone debate on this nonbudget item, in the context of this act, we were not allowed it. It is a classic case of taking a policy nugget unrelated to the budget and jamming it into the bill. As far as I am concerned, this is a deal-breaker, and I will vote against the bill coming out of conference committee if it looks like the bill before us.

But we are not at that point in time. It is important to keep the process moving, and therefore, I urge a “yes” vote.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. Minge].

Mr. MINGE. Mr. Speaker, the legislation now moving through this body is unsettling to most of us. It is marketed by many as the path to balance the budget. Indeed, it appears we are more likely to balance the budget with this legislation than without it. However, I would like to emphasize, it is a close
call. We should be humble when we talk about the legislation.

To move the process ahead to conference, to show support for the President, to demonstrate bipartisanship, I will vote for the bill. But let me add some caveats.

First, we need strong enforcement mechanisms in all legislation that affects the budget. Second, we must stop using the Social Security trust fund to mask the size of the deficit, and recognize the long-term train wreck that awaits us with the Social Security system if we do not aggressively move to fix it.

Finally, we must try harder. We must avoid exploding tax cuts, we must not give blank checks to programs, we must avoid exploding tax cuts, we must avoid exploding tax cuts, we must avoid exploding tax cuts.

We need to continue the successful trend, allow states like my home State of Arizona to work with the $3 billion welfare-to-work grant to move yet more families from welfare to work.

What we provided in this legislation does so because we have listened to the Governors. We have improved the legislation. We have expanded educational benefits. We have taken a commonsense approach. Our policy is that we do not trash welfare reform; build on it. Adopt the resolution.

Mr. SPRATT. Mr. Speaker, I yield 30 seconds to the gentleman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, what my good friend from Arizona fails to acknowledge is that welfare reform in its best sense was bipartisan of Democrats and Republicans.

What this spending bill does is takes the rights away from working welfare people, does not provide them with protections of fair labor standards laws, does not provide them with protection against sexual harassment, does not treat them as workers who get equal pay for equal work. That is why we are against this spending bill, because it dishes the welfare reform that we put together in a bipartisan Congress. I am ashamed of what is coming about in this pending bill.

Mr. SPRATT. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. DINGELL], ranking member of the Committee on Commerce.

Mr. DINGELL asked and was given permission to revise and extend his remarks.

Mr. DINGELL. Mr. Speaker, I commend my good friend for the fine work which he has done on this very important subject. I had voted for the prior resolutions on this matter. I regret I will not be able to do so.

This budget suffers from a number of fatal defects, the most important of which, it breaches agreements contained in the earlier budget resolution and it will not achieve a balanced budget. There are a number of defects with regard to medical savings, with regard to moneys which should better be spent for preventive care such as mammographies, prostate cancer screening, and more. The bill treats the young people of this country poorly. It will not achieve a balanced budget. The Committee on Rules put in sweeping amendments to the section on spectrum auctions that have completely gutted taxpayer protections that were included in the Committee on Commerce's recommendations.

Our committee made sure that the public's assets would not be sold at fire sale prices by permitting spectrum auctions to be canceled if they did not meet their minimum of revenue. The policy changes included in this bill were rejected by the Committee on Commerce members, and for good reason; they do not protect American taxpayers. Indeed they do great harm to them.

We colleagues need to know one issue of permanent and paramount importance. A sizable portion of this budget bill is held together by sham and fraud consisting of phony revenue assumptions about the value of spectrum auctions. We know that the revenue assumptions here are phony. We have looked at further deficits because of the fact that we have lied to ourselves, lied to each other, and lied to the American people.

Even the FCC chairman says his estimates at least half the spectrum will come from and that they have no idea how this will be accomplished. We have also learned that some of the spectrum identified for auction in this bill is held together by sham and fraud consisting of phony revenue assumptions about the value of spectrum auctions. We know that the revenue assumptions here are phony. We have looked at further deficits because of the fact that we have lied to ourselves, lied to each other, and lied to the American people.

Beyond this, the GAO report says operations like Desert Storm could be severely impaired by the auction of radio frequencies. Can the Committee on the Budget or the Committee on Rules assure members of this committee that the bill will not have a disastrous effect on the viability of the Nation's military operations? Put your expertise against the GAO, which says that this puts our national defense effort at serious risk.

The losers here are going to be the American taxpayers who are not only being misled but who will continue to face a continued mounting budgetary deficit because of a phony set of assumptions and a doomed-to-fail policy on spectrum auctions.

CONGRESSIONAL RECORD—HOUSE June 25, 1997
Mr. SHAW. Mr. Speaker, I yield myself such time as I have remaining.

The SPEAKER pro tempore (Mr. DREIER). The gentleman from Florida [Mr. SHAW] is recognized for 4 minutes.

Mr. SHAW. Mr. Speaker, a year ago, apropos of the President's plan, I stood at this microphone in support of welfare reform, a most historic bill.

The gentlewoman from Texas a few moments ago said that she supported it. If we look at the voting records, she did not. She voted against it.

Ms. JACKSON-LEE of Texas. Mr. Speaker, will the gentlewoman yield?

Mr. SHAW. No, I will not, Mr. Speaker.

But I would like to give her the good news, that since welfare reform, since 1995, in the State of Texas the welfare rolls have dropped 24 percent. That is unheard of. It is unprecedented in the history of this country. Welfare reform has done more for the poor, the needy, than any piece of legislation that has ever come out of this Congress. And let there be no mistake about it. Those figures are out there and they are nationwide. Nationwide. It has been a tremendous success.

When I stood here a year ago I said there was still much work to be done. There were corrections to be made. I want to do away with some of the rhetoric and some of the misinformation that has been on this floor today. We do not provide or allow for in this bill any discrimination about people coming off of welfare. On unemployment, the people that are going into the private sector, they have all of the protection that any of the workers in this country have. Those that are working for their benefits, they have the protection against discrimination. However, there are a few protections they do not have. When their benefits run out, they cannot start collecting unemployment compensation. They do not have the FICA contributions. Those are things that is disagreement in this conference about. I recognize that, but I must say to the Speaker and to my colleagues that once they get into the private sector, there is no difference between them and any other worker.

Ms. JACKSON-LEE of Texas. Mr. Speaker, will the gentleman yield?

Mr. SHAW. No, I will not.

Mr. Speaker, I would ask the Chair to admonish the gentlewoman from Texas not to interject:

The SPEAKER pro tempore. The gentleman from Florida [Mr. SHAW] controls the time.

Mr. SHAW. Mr. Speaker, there is also another area that I think that there is great misunderstanding. It is the part referring to SSI for noncitizens. We have a genuine disagreement with the President. We thought we came up with a better solution. The President's plan would call for 60 percent of noncitizens of the elderly, to come off of SSI. We did not want to do that. So what we did, we grandfathered in all of the noncitizens that were receiving SSI on August 22, when the welfare bill was signed. We thought that was much fairer than pushing them out and then having them come back and prove that they were disabled, knowing that roughly half of them would never get back on and they would lose their Medicaid as well as their SSI payments.

This is very important. We thought ours was the more humane way to go. The President thought it was best to take the elderly off and exchange their benefits to allow people that were here on August 22 that might become disabled, most of them will not, but those that did become disabled sometime in the future could get onto SSI. It is a disagreement we have, but I might say in the full committee, after we made our argument, no one even offered the President's plan. No one offered the President's plan in the Committee on Ways and Means. Why? Because they did not want to hear the argument that they were throwing the elderly off. I do not blame them. I would not have offered it either.

Another area that I would like to discuss is the area of minimum wage. In this bill, in a very bipartisan manner, we adopted the President's definition of minimum wage. We say in determination of minimum wage when working for your benefits that the only thing that will be included is the cash payments and the food stamps.

This is what the President wanted. This is what we gave to the President. This is a bipartisan bill and we have taken a bipartisan attitude in working with many of the Democrats. I hope that we get a good vote. Vote "yes" on the bill.

The SPEAKER pro tempore. The time of the gentleman from Florida [Mr. SHAW] has expired.

Mr. PALLONE. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, I speak as someone who supported the reform of AFDC and I very much continue to support it. Let me address two issues.

The Fair Labor Standards Act. I favor moving people off of welfare to work. They should not be treated as second-class citizens, and you do that. You take away the protection of the Fair Labor Standards Act, and then you go back in, the States must pay a minimum wage. They do not have the protection of Federal law. There is no clear enforcement, and you take away the protection against sexual harassment. Why? What do you do that for?

People should move from welfare to work. They should not be second-class citizens. Period.

In fact, our hope is the opposite, to maintain the dignity and the integrity of work. Legal immigrants; look, we did not offer the President's proposal. We offered something that built on that. It was turned down by one vote, even though there was the money there to pay for it. The gentlewoman from Washington said, well, everybody should play by the same rules. No, you are asking people who were here August of 1996, who became injured after that, to play by different rules. They are out in the cold. That is an irrational, inhumane line. We should not be drawing it.

I am going to vote against this bill in part because I am hoping that we will indeed have Mr. SHAW, whom I very much respect, in a bipartisan effort to work out these problems in conference committee. Do not treat anybody in this institution as a second-class citizen and do not renego on the budget agreement regarding legal immigrants. They were here legally. We should not differentiate people according to when they were disabled.
Mr. BLILEY. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey [Mrs. ROUKEMA].

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

Mr. Speaker, I acknowledge the commitment of the gentleman from Ohio, Chairman KASICH, to working out the DSH payments in this bill.

Mr. Speaker, I rise in support of H.R. 2015, the Balanced Budget Act with reservations.

I am deeply concerned about the disproportionate share hospital payments from the disproportionate share hospital [DSH] payments. This could amount to a 17-percent cut in New Jersey in a vitally important program that serves our neediest patients. I am encouraged by the statement made during debate on the rule on this legislation by the chairman of the Budget Committee [Mr. KASICH] who made the point that the DSH, which is not included in the legislation, will be revised.

Mr. Speaker, I am looking forward to reviewing those revisions when this House considers the conference report on this bill.

We in New Jersey are also deeply concerned about the reductions in Medicare payments for high Medicare hospitals—many of which can be found in New Jersey—and the prospective payment system freeze for next year. These two provisions present serious burdens for New Jersey health care providers and could significantly affect the quality of care in our State.

Mr. Speaker, there is very little long-term Medicare reform in this bill. I, for one, support the establishment of a Bi-Partisan Blue Ribbon Medicare Commission—modeled after the very successful Greenspan Commission on Social Security in the mid-1980's—to make recommendations for Medicare and protecting this vital program, which the Congress should enact. I don't see that there is any hidden "political agenda" to the recommendations.

Mr. Speaker, I am very troubled that this reconciliation package includes provision that allows associations to offer health care plans—the provision added in the Education Committee by my friend from Illinois, Mr. FAWELL.

This section of the reconciliation package raises some concerns. The first concern is the fact that budget reconciliation is a totally inappropriate forum for bringing forth such expansive legislation with improper analysis and open discussion of such important concerns as fiduciary standards.

This provision does not offer sufficient protection against fraud and abuse and contains solvency standards that are substantially weaker than most State standards. This poses the risk of significant losses for both plan participants and providers when plans fail.

We are being grossly irresponsible by including a major revision of ERISA law in this massive reconciliation bill.

Mr. Speaker, I am equally concerned that this legislation does not contain the strong budget enforcement mechanism introduced by Congressmen BARTON and MINDE. However, I will rely on the commitment from the Republican leadership that we will have a vote on this important legislation. At the same time, we should acknowledge the terrible cost to our Nation if we do nothing.

Balancing the Federal budget is essential to protect our Nation's long-term financial health, and to ensure that the country our children and grandchildren inherit is as great as the one our parents gave us.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Speaker, I thank the gentleman from Virginia [Mr. BLILEY] for yielding me the time.

I believe some of my colleagues have expressed a great enthusiasm to support this reconciliation package. This is why I came to Congress to balance the budget. Today is a historic day for this Congress. But I want to specifically refer to the children's health care package.

The previous speaker somehow argued that children will be left uncovered by this bill as we in the Committee on Commerce have crafted it. To the contrary, what we have done is created the flexibility that the States need to provide Medicaid coverage to provide direct health insurance purchases, and to provide direct services. And for those who criticize the provision of direct services, we must remember that if we did not provide children with direct health care services, those children would get no health care whatsoever.

We need to trust our Governors, we need to trust our State legislators and allow them to meet the health care needs of their children in the way that best suits their States' realities. I support this package enthusiastically and encourage my colleagues to do so, as well.

Mr. SPRATT. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey [Mr. ENGEL].

(Mr. ENGEL asked and was given permission to revise and extend his remarks.)

Mr. ENGEL. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise to oppose the Budget Reconciliation Spending Act. At the same time, I am deeply concerned about the drastic social spending reductions the Republicans have demanded in recent years, it still gives short shrift to America's seniors, workers, and immigrants.

Further, it violates several of the provisions of the budget agreement we passed only a few weeks ago.

First, the legislation misguided permits States to turn over Medicaid and Food Stamp...
Programs to private companies, many of which have demonstrated that they have not been able to efficiently administer other Government contracts.

An amendment in the Commerce Committee would have fixed this problem, but it was unwise in the judgment of the Republican majority.

Second, the Medicare cuts are not as outrageous as those of the 104th Congress. Still, the impact of reduced payments to providers will, in the end, be absorbed by needy seniors, resulting in poorer health care and diminished access to physicians.

I am further dismayed by the incorporation of the risky medical savings account proposal in the Medicare portion of the package. This proposal will undermine the integrity of the Medicare Program by transferring critical funding away from the most needy beneficiaries to the healthiest, wealthiest senior citizens.

Third, I am pleased that the bill restores SSI and Medicaid to those legal immigrants who were receiving them when the welfare reform legislation was enacted last August. Unfortunately, the base budget agreement does not go far enough. Those immigrants who were here last August who only subsequently qualified for assistance, remain barred from receiving benefits. This is terribly unfair to those who had a reasonable expectation that the U.S. Government would assist them.

Finally, the budget reconciliation spending bill guts much of the minimum-wage increase which Congress passed last year, by exempting those in workfare jobs from the minimum-wage protection.

This is outrageous. Not only will this proposal for workfare jobs be seen as paying as little as the minimum wage, but it will defeat the entire purpose behind workfare because program participants will not be able to earn a living wage in their jobs.

Mr. Speaker, once again, this bill represents an improvement over previous Republican budget cutting efforts. Unfortunately, it still cuts too much and helps too few.

I urge my colleagues to vote against the budget reconciliation spending bill.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. CLAYTON].

Mrs. CLAYTON. Mr. Speaker, I thank the ranking member for yielding me this time.

Mr. Speaker, I really wanted to vote for this bill. In fact, I voted for the balanced budget agreement in the Committee on the Budget and voted for it on the floor with reservations. I knew there were things in there I had problems with. One of the things I had problems with, there was not enough food stamps. There are great needs in terms of hunger. It was not there. But in spite of that, it did have some good things in it.

Some of those good things were around children's health, around education, and those types of provisions that are in there. On balance it was good to move for a balanced budget. But now we have an agreement that does not conform to all of those agreements. Although I knew I had some reservations, I never expect that everything I want will be in the bill.

I can tell my colleagues, I am still looking forward to voting for a balanced budget, but I am unable to do that now. I want to tell my colleagues what I hope will be cleaned up after the conference. I hope indeed my colleagues find the compassion, or the reasonableness of at least giving people the work opportunity so they can have food stamps and those not thrown off the food stamp rolls. At least this rich country should be above that. I hope we will find in our hearts, and with all due respect and I know the gentleman from Florida [Mr. SHAW] is well-intending, I think when we are protecting workers, it is not certain that it is sex discrimination generically and do not apply the same labor standards that are codified already in law, we are supposed to create a new set of protections for this group of people. It would be so much easier if we would just simply say the law that is already on the books and we would apply it to these people just as we apply it to everyone else. I think that is a gross error, and I think we have made a tragic mistake to create new provisions to speak to the same issue.

For those reasons, Mr. Speaker, I cannot support this bill as it is. I hope we will come back from the conference with an improved bill.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. NORWOOD], a member of the committee.

Mr. NORWOOD. Mr. Speaker, I am very pleased to support this bill for many reasons, but one of which is that the Committee on Commerce has done a marvelous job in trying to protect patients in the health care field as we move more and more from fee-for-service health care to managed care. I am extremely grateful to this committee for doing the right things for Medicare and Medicaid.

I urge all Members to support this bill. With that, I yield 1 minute to the gentleman from California [Mr. BILBRAY], a member of the committee.

Mr. BILBRAY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. BILBRAY], a member of the committee.

Mr. Speaker, earlier this year the administration proposed that appropriations for VA health care remain constant at $17 billion a year for 5 years. Clearly the ability of the VA to provide needed health care services to the Nation's veterans could be seriously jeopardized if the resources required to provide that care were fixed, while the costs of providing care continue to rise.

To offset the possible dire consequences of an appropriation freeze, the administration also proposed that VA retain funds it collects from third party payers, insurance companies for example, for some treatment provided to illegal aliens. The Committee rejected this proposal. The Budget, however, rejected our committee's views and our recommendations.

Under the Committee on the Budget's plan, appropriations for VA health care would not increase for 5 years and third party collections would be retained by the VA to provide veterans' health care. But now under H.R. 2015, the ability of the VA to provide veterans' health care has been further undermined, again ignoring the service provisions in the bill. This bill now makes VA's third party collections subject to appropriations.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. BILBRAY], a member of the committee.

Mr. BILBRAY. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. CLAYTON].

Mr. CLAYTON. Mr. Speaker, once again, this bill represents an improvement over previous Republican budget cutting efforts. Unfortunately, it still cuts too much and helps too few.

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Mr. BILBRAY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. BILBRAY], a member of the committee.
getting their fair share of health care and coverage, will stand up and say at least, look, this bill does include something that has been denied for much too long. Support this bill and finally thing that has been denied for much least, look, this bill does include some- and coverage, will stand up and say at getting their fair share of health care H4574 what they are entitled to receive.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from Hawaii [Mrs. MINK].

(Mrs. MINK of Hawaii asked and was given permission to revise and extend her remarks.)

Mrs. MINK of Hawaii. I thank the ranking member for yielding me this time.

Mr. Speaker, I rise in opposition to this bill. This is not a reconciliation bill. It contains many things which are extremely irrelevant to the budget process. Many people have said, "Let's not try to meddle with a welfare re- form bill that was only enacted last August." That's going to get here because we are today in a budget reconciliation bill that severely cuts back on what I believe was intended when we passed the Welfare Reform Act. We said welfare to work, because work was an ethic we wanted to encourage. Everybody who goes to work gets paid. Yet here in the Budget Rec- onciliation Act, we have a work re- quirement where there is no additional compensation. We are going to take their cash welfare check, we are going to do the workfare camps and we are going to add it together and say divide that up to the minimum wage and that is the amount of workfare you must do for the Government or for a nonprofit agency, without one penny of addi- tional money.

Where is the work incentive that we are trying to build in the people that were so-called trying to change their mode of life, getting them to go out and understanding the joy of earning additional money. That is abso- lutely taken away from them. The pro- tections of being a worker are denied. Many of the protections, such as occupa- tional health and safety, sex discrim- ination, all the things that ordi- nary workers would have. Family med- ical leave. These people who are on welfare that are being forced to go to work, forced to take workfare with no additional compensation will not have the protections of employees. They are not workers. They are second-class citizens in this Act.

We apologized for slavery over 100 years ago. Who is going to stand up and apologize for the slavery that is incor- porated in this budget reconciliation bill? This is really degrading. I stood in do- ing this the rhetoric that we heard in this Chamber about the im- portance of work. If my colleagues are going to require work, pay the people what they are entitled to receive.

Mr. Speaker, I rise to oppose this budget reconciliation bill because it establishes priori- ties that ignore the needs and interests of the most vulnerable of our constituents—the poor, the disabled, the elderly, the young, and, yes, our legal immigrants.

I am happy to note that the reconciliation bill exempts refugees and asylees from the SSI and Medicaid bans for 7 years.

Similarly, it is a positive sign that the House and Senate are making an attempt to restore SSI and Medicaid benefits to legal immigrants who were already on the rolls when the wel- fare law was enacted August 22, 1996. However, this effort falls far short of restor- ing coverage in a meaningful way to elderly and disabled noncitizens.

Many have been making about how the rec- onciliation bill fails to live up to the bipartisan budget agreement. The budget agreement pledged to restore SSI and Medicaid for all legal immigrants ion the country before August 23, 1996, and who are now or later become disabled. Neither the House nor the Senate meet this test.

The House plan "grandfathered" in healthy, elderly noncitizens, but it fails to help legal im- migrants who are healthy today but who later develop disabling conditions. It covers 75,000 fewer people than the bipartisan budget agreement.

The Senate budget plan was a little bit bet- ter, since it would let disabled noncitizens file for SSI through the end of this fiscal year. Nevertheless, it still covers 55,000 fewer peo- ple than the budget agreement does.

We could do more to help this population, but we saw it the rhetoric to en- courage. Everybody who goes to work gets paid. Yet here in the Budget Rec- onciliation Act, we have a work re- quirement where there is no additional compensation. We are going to take their cash welfare check, we are going to do the workfare camps and we are going to add it together and say divide that up to the minimum wage and that is the amount of workfare you must do for the Government or for a nonprofit agency, without one penny of addi- tional money.

The budget contains numerous cuts and policy changes that will have a devastating im- pact on the health of our most vulnerable pop- ulations. Medicare and Medicaid will be cut by almost $130 billion over 5 years, while individ- ual rights to justice and State authority over medical malpractice is reprehensible to cut taxes for the rich, is arrived at the Boren amendment which requires State Medicaid Programs to pay doctors and hospitals. The budget bill attacks the rights of individ- ual rights to justice and State authority over medical malpractice is reprehensible to cut taxes for the rich, is arrived at the Boren amendment which requires State Medicaid Programs to pay doctors and hospitals.

The budget targets the most vulnerable pop- ulations cutting Medicare and Medicaid over the next 5 years. Those in support of this leg- islation, both in the majority and minority, must constantly reassure themselves that these cuts are acceptable because most of the cuts are achieved through "reduced payments to doctors and hospitals." Despite their reassur- ances, there can be no denying that payment reductions to doctors and hospitals are passed on to Medicare beneficiaries. Medicare bene- ficiaries pay in decreased access to care and decreased quality of care. Medicare bene- ficiaries are the losers.

Mr. Speaker, I rise to oppose this budget reconciliation bill because it establishes priori- ties that ignore the needs and interests of the most vulnerable of our constituents—the poor, the disabled, the elderly, the young, and, yes, our legal immigrants.
CONGRESSIONAL RECORD—HOUSE  H4575

June 25, 1997

Health Insurance Coverage [EPHIC] Act of 1957. One of the most popular themes that has dominated the direction of this Congress is to remove State authority to regulate the health insurance plans of small employers and transfers regulatory authority to the Federal Government without adequate provisions and preparations to manage the additional responsibility. States have spent years drafting laws and regulations to govern the health insurance plans of small employers. This bill will preempt many carefully devised State provisions and assign authority to an unprepared Federal Government. Not only is this irresponsible but it is also a blatant disregard for the years of work done by State governments.

The budget agreement abandons the budget agreement with the President on children’s health care. The budget fails to guarantee coverage for children and gives excessively generous authority to States. We must set minimum standards and requirements to ensure that this funding is used efficiently and effectively.

Additionally, the children’s health State allocation formula is based on the State’s share of uninsured children. States that have worked the hardest on covering their children and have had the most success will get the least amount of funding while States that have done little or nothing will receive amounts as large as the allocation system rewards States that have done nothing while penalizing States that have made an extra effort to cover children.

Moreover, this legislation permanently enacts the Hyde amendment which in effect denies poor women their constitutional right to reproductive freedom. It could jeopardize their access to health services.

This budget exemplifies how this Congress’s priorities have deviated from fundamental principles and is a dishonorable failure of our responsibility to care for America’s elderly and disabled.

WELFARE

Furthermore, Mr. Speaker, the most egregious provisions of this bill will allow States to place welfare recipients in indigent service by enacting a separate set of rules for welfare recipients working in public and nonprofit organizations.

These provisions were not part of the original budget agreement and they are not necessary to reach the budget savings called for in the budget resolution. It is simply another attempt to cast scorn on the poor of this country and denigrate their status in our society. Mr. Speaker, let me first compliment the gentleman from Louisiana [Mr. TAUSIN], chairman of the Subcommittee on Telecommunications, Trade, and Consumer Protection. He has done a marvellous job in this area. But 100 days ago, the National Association of Broadcasters reported a drop of 6.7% in the number of radio stations. We do not have the support of radio stations.

We have retained the committee’s mark that specifies that the FCC can permit the continued analog broadcast as long as more than 5 percent of a community have not yet switched over to digital as this digital transformation occurs.

We have retained in this bill the language that we are going to vote on today that spectrum auctions of additional spectrum made available over the next 5 years for public use will be conducted with several new directions: No. 1, those spectrum auctions will be conducted after a time has been allowed for the current round of spectrum sales to clear the financial markets. As my colleagues know in the last successful auction, whereas we received bids of $23 billion, only $11 billion was actually paid in because of difficulties in getting that spectrum out.

The new bill provides, in effect, that the new auctions will give enough time for mergers and acquisitions to shake down the pike and will give enough time for the market to make the price. The new provisions require in fact the FCC to examine new computer models for auctioning, such as the ones carried out in California where block auctioning is actually attempted to yield higher results for the Treasury. In short, those improvements have been added to the bill.

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Mr. PALLONE. Mr. Speaker, based on what was said before, it appears that the Republicans have significantly more time, so I reserve the balance of my time.

Mr. SHAYS. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. SMITH].

[Mr. SMITH of Michigan asked and was given permission to revise and extend his remarks.]

Mr. SMITH of Michigan. Mr. Speaker, my vote will be in favor of passage of this bill, and H.R. 2037, the budget enforcement provisions, have been made part of this bill that will help us make sure that we enforce the provisions of our intent to balance the budget and make these spending cuts.

CONGRESSIONAL BUDGET & IMPUDITION CONTROL ACT OF 1974

Permanently extends the requirement that budget resolutions cover a five-year period. Similarly, extends indefinitely the enforcement of the five-year spending and revenue levels set forth in budget resolutions through points of order.

Simplifies and updates points of order that are used to enforce the budget resolution's spending and revenue levels.

Provides for adjustments in the budget resolution levels for legislation appropriating funds for designated emergencies, arrearages and the International Monetary Fund.

Eliminates the need to waive the Budget Act for a reported bill that violates the Act but is cured by a self-executing rule. In such case, the point of order no longer lies against the bill.

AMENDMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

Adjusts and extends statutory discretionary spending limits, which are enforced through sequestration, through fiscal year 2002.

Provides for adjustments in the discretionary spending limits for appropriations for emergencies, arrearages, and the International Monetary Fund.

Extends pay-as-you-go requirements, which provide that entitlement and tax legislation must be fully offset, through fiscal year 2002.

Modifies baseline that is used to "score" legislation. Committees get credit for eliminating entitlement programs.

Eliminates accrued pay balance and savings from reconciliation to ensure that all savings are used for deficit reduction.

Mr. SHAYS. Mr. Speaker, I yield 2½ minutes to the gentleman from Illinois [Mr. FAWELL].

[Mr. FAWELL asked and was given permission to revise and extend his remarks.]

Mr. FAWELL. Mr. Speaker, I rise in support of the balanced budget bill and in particular the provision of the bill that will expand affordable health insurance to millions of workers, their spouses and their children. By including the Expanded Portability and Health Insurance Coverage Act, known as EPHIC, in this reconciliation, we advance bipartisan legislation which will make insurance available to millions of uninsured Americans.

The EPHIC legislation is consistent with the budget agreement's goal of expanding coverage to uninsured children.

The problem of the uninsured, both children and adults, is predominantly a problem of small businesses lacking affordable health coverage. Over 80 percent of uninsured Americans live in families headed by a worker, most often in a small business. And over 80 percent of uninsured children are in a family headed by a worker, again, usually in a small business.

EPHIC addresses this problem by giving firms that offer health insurance plans, and bona fide trade, business and professional associations the ability to form group health plans. EPHIC gives retailers, wholesalers, printers, agricultural workers, grocers, churches, organizations such as the chambers of commerce and NFIB, the National Federation of Independent Business, the economies of scale and affordable coverage that large businesses have had for 23 years under the Federal ERISA law. In other words, finally the little guys will have what the big guys have had for decades, and I refer to the economy of scale to be able to have affordable health insurance for their employees.

In hearings before my subcommittee, witnesses estimated that small businesses could save between 30 and 80 percent in overhead costs and that up to 50 percent in administrative costs. Americans would find affordable coverage in the private market under EPHIC.

Mr. Speaker, this tremendous expansion of coverage can be realized without spending one single tax dollar, without any government subsidies or any government mandates.

EPHIC is supported by nearly 100 organizations representing small businesses, large businesses, the self-employed, churches, hospitals, medical groups, agricultural, and rural interests and coalitions. The bill currently has 152 cosponsors, including 23 Democrats.

Mr. Speaker, I think this is a sound idea whose time has come.

Mr. PALLONE. Mr. Speaker, I yield myself and the gentleman from New Jersey [Mr. FAWELL].

Mr. Speaker, the best way for me to illustrate the flaws that are contained in this bill is to focus on the harm it does to our Nation's children. Beginning with children's health care, a majority of this House, myself included, voted for the balanced budget resolution which promised $16 billion to cover five million of the 10 million uninsured children in America today. But even though most of us wanted to cover all 10 million, we felt that acting in good faith we could get to 5 million now and then address the remaining later on. Well, guess what. Mr. Speaker, this bill does not even cover 1 million children. According to the Congressional Budget Office, the Republican leadership's proposal would provide coverage for about half a million children. The CBO assumes that much of the 16 billion will be passed on to hospitals and other providers who get shafted under this plan and basically not to purchase health insurance for children.

The Republican leadership, in effect, which is purporting to be the party of patients, takes $16 billion and, in my opinion, throws it away. The Democrats offered several alternatives to this impotent policy. First we sought to plug up the so-called direct services loophole that lets a State spend its money on purposes other than insuring kids. The Republicans defeated that amendment in the Committee on Commerce. Then Democrats proposed to expand Medicaid and outreach to cover more kids with an existing health insurance program that already works. We know that Medicaid works, but the Republicans said no to that too in the Committee on Commerce.

And finally we put forward a proposal by the Democratic Caucus Health Care Task Force, a comprehensive approach to expand Medicaid, give States matching grants to cover kids above the income cut-off, which the Republicans said, and require private insurance companies to provide kids only policies at reasonable costs, and the Republicans shot that down too in the Committee on Commerce and again in the Committee on Rules when we proposed it this other day.

We are considering a bill today which violates the balanced budget agreement and which I supported as did most of my colleagues here. The bill we are considering today takes health care money away from children, it does not expand health care, it takes it away from children. This is not what we intended when we supported the balanced budget agreement, so we will not support this bill today. It is just another Republican attempt to cost shift, and unfortunately, Mr. Speaker, the cost shift is on the backs of our Nation's children.

Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. For our bill, Mr. Speaker, I appreciate the gentleman from New Jersey [Mr. PALLONE] and yield this time to me. I think we all ought to recognize the fine work that the gentleman from New Jersey [Mr. PALLONE] and others in the caucus have done in trying to bring attention to the fact that we have so many children in this country who still do not have basic health insurance.

Most people think that health insurance is provided as a matter of right to kids in America. The truth of the matter is that amongst the very poor children, that is true under the Medicaid Program. But again, working families, the children of taxicab drivers, the children of waiters and waitresses, working families simply do not have health insurance; and that is where our bill, I think, has had some dramatic failures.

I wanted to point out to my friend from New Jersey, Mr. PALLONE, that there is an additional problem with this language that is contained in this bill. The way the actual funding for the
The plan we are voting on today is evidence that Washington is at last beginning to take its responsibility seriously. It reduces the growth of Government spending by nearly $1 trillion over the next 10 years, reversing the legacy of bankruptcy that we are handing off to our children. It saves Medicare and Medicaid for seniors of today, and tomorrow, will continue to have this vital program well into the next century. It allows tax relief for families, and individuals, at every stage of their life so they will have the freedom to save and plan for their future.

Mr. Speaker, the American people are the real winners in this plan. By taking this next step toward balancing the budget for the first time in a generation, we take another giant leap toward restoring their freedom to chase the American dream. It is our responsibility to follow through on our promises that we have made to them.

Mr. SHAYS. Mr. Speaker, I yield 1 minute to the gentlewoman from New Jersey [Ms. ROUKEMA].

[Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.]

Mr. ROUKEMA. Mr. Speaker, I would say that I do believe that we should pass this program. Balancing the Federal budget is absolutely essential to protect the Nation's short-term, and long-term financial health and certain to enable our children and grandchildren a greater tomorrow.

I want to especially thank the chairman of the committee for his work that he is going to do, specifically mentioning the needs of New Jersey with respect to the Medicaid needs and the DSH formula.

I do want to say that I have a question and a reservation with respect to the Small Business Association ERISA reforms of the bill. I will be moving to correct those reforms. In my opinion, they do not belong in this bill, they really do not belong in this bill, and I would hope that we could work on that in conference. But without reservation, we must support this as an ongoing program and assure that we are keeping our promise to the American people.

Mr. PALLONE. Mr. Speaker, I yield 1¼ minutes to the gentlewoman from California [Ms. ESHOO].

Ms. ESHOO. Mr. Speaker, as the American people listen to us this afternoon as we engage in this great and important debate about our Nation's budget, it really is a statement of our values. The President came to the Congress, and in his State of the Union Message delivered part of the message, there were 10 million uninsured children relative to health care in our country.

The parties came together and said, this is a priority. We then went to write in, to fill in the blank, of how we would plan to insure the 10 million uninsured children in our country. There is only one plan that has been advanced that actually works and reaches out to the majority of the children in our country. It has not created a new entitlement, there are no unfunded mandates, but neither is it a giveaway to our Nation's Governors. It says to the children first by building on the public system; by saying to the insurance companies, it says to the insurance companies that you can indeed offer children-only insurance policies. It rewards States that are doing even more for children, and it is the only plan, according to the CBO. The CBO says that the Republican plan will cover only $200,000. That is a deficit for our Nation.

I urge that we support this plan. I will not support the budget plan contingent upon this.

Mr. PALLONE. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I will put a longer statement in the RECORD on the health aspects of the bill. It is a good start, but I do want to point out that we are missing an opportunity to cover children as fully as we might in the most certain and effective way we can.

What we have in the bill is a good start. What we have in the budget is $16 billion, but it would be most effective if we were certain that the money would be spent to buy guaranteed coverage with the benefits that children need.

We have a model for this and it works. It is called Medicaid. We ought to help States do a better job with that program. We recognize there is block grant money, we ought to be sure it is spent on what we intend, to buy health insurance coverage for uninsured children.

It is not supposed to be a pot of money for States to refinance their own health services facilities. It is not supposed to be a pot of money for DSH. It is supposed to help kids.

We can do better. In Medicaid and Medicare, while there are some positive steps, it seems to me on balance I cannot endorse this legislation.

Mr. Speaker, we are missing an opportunity today to assure that we are extending coverage to millions of uninsured children in the most certain and effective way we can.

We have $16 billion to spend here. This is not enough to cover all the uninsured children, but it is a good start.

And it will be most effective if we are certain that the money is being spent to buy guaranteed coverage, with the benefits that children need.

We've got a model for this—and it works. It's called Medicaid. We ought to help States do a better job with that program.

And with the block grant money, we ought to be sure it's spent on what we intend: to buy health insurance coverage for uninsured children. It's not supposed to be a pot of funds for States to refinance their own health service facilities. It's not supposed to be a replacement for DSH. It's supposed to help kids.

We can do better. And the changes this bill makes in Medicaid and Medicare are not acceptable.

I recognize that these provisions are dramatically improved from those brought before this House in the last Congress. But being better than something that was totally unacceptable is not good enough.

I also recognize that there are some things in this bill, particularly related to Medicare, that are very positive. The preventive care benefits added to Medicare are long overdue, and will be very helpful to Medicare beneficiaries. But on balance, I cannot endorse this legislation.

I cannot vote in support of the establishment of medical savings accounts [MSAs] in the Medicare Program. I know this is a demonstration—but it is a massive one. And it is a bad one.

MSA's cost Medicare money. They cost $2 billion. This is the money that should be left in the Medicare Trust Fund to benefit all Medicare beneficiaries need. Instead, we're spending $2 billion to benefit people who are healthier and wealthier. They leave the many Medicare beneficiaries of moderate income, the ones whose health is more precarious, bearing the cost. That is wrong.

And while this bill makes a better result of the amendment approved by rules in its protection for low-income Medicare beneficiaries, it does not meet the budget agreement terms of full payment of the Medicare premium for people below 150 percent of poverty.

And while this bill makes in Medicaid are not ones I can support. Put simply, the cuts in the disproportionate share program are too large, and they are not designed to protect either the hospitals that serve very large populations of low-income people, or States which have spent all of their DSH monies on these kinds of mandates.

I cannot vote for a proposal that will result in a 20 percent cut of DSH dollars in my own State of California by 2002. I cannot endorse a policy that leaves large public hospitals, children's hospitals and hospitals with low-income utilization rates of 25 percent or 30 percent without first call on the funds available.

I cannot support legislation that undermines a poor woman's right to choose.

Finally, I look at the bill currently being debated by our colleagues in the Senate, and I see a number of provisions that will be brought into conference that would make this bill considerably worse.

It is not good enough now. It should be made better. It must be made better before it will have my support.

Mr. PALLONE. Mr. Speaker, I yield 30 seconds to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.

Ms. JACKSON-LEE. Mr. Speaker, I yield 30 seconds to the gentlewoman from Florida [Mr. SHAW], just as a correction, that I voted for the
Deal amendment on welfare reform which really worked, but I rise today because I do not want to give a windfall to those Gov-ernors who may not focus on the need to insure the 10 million children who are uninsurred.

We have a real health plan that does not pit hospitals against children. It is extremely valuable that we move for-ward on a budget reconciliation that protects workers, protects children, and provides for the hospitals in the State of Texas.

Mr. Speaker, I rise today to express my ve-hement opposition to H.R. 2015, the Budget Reconciliation Act. The problems with this bill are almost too numerous to list. However, I am compelled to report to the American people some of the most dismal aspects of this legislation.

H.R. 2015 contains a provision which reduces Medicaid spending by $11.4 billion, primarily by reducing payments to hospitals that serve a disproportionate share of low-in-come patients. The Disproportionate Share Hospital [DSH] program was created to ensure health care for the elderly, the indigent and the Nation's young people. It was specifically designed to reimburse hospitals that serve a disproportionate number of uninsured or indigent persons.

The DSH program is an integral part of the Medicaid Program in my home State of Texas. DSH is critical in providing quality health care to Texans who cannot otherwise afford it. As a result, to limit reimbursement to those hospitals which serve a disproportionate share of low-income patients, the bill discriminates against Texas be-cause it singles out high-DSH States for cuts. Without DSH funding, many of Texas' rural hospitals cannot continue to operate. Many counties will lose access to a medical center for hospital, outpatient and physician-based care. When those hospitals which serve the largest proportions of poor, low-income sen-iors and young persons suffer severe cuts in Federal funds, tens of thousands of low-in-come Americans will feel the pain.

Also included in this bill is a troubling provi-sion that makes an end run around the legislative process, thus discriminates against Texas be-cause it singles out high-DSH States for cuts. Without DSH funding, many of Texas' rural hospitals cannot continue to operate. Many counties will lose access to a medical center for hospital, outpatient and physician-based care. When those hospitals which serve the largest proportions of poor, low-income sen-iors and young persons suffer severe cuts in Federal funds, tens of thousands of low-in-come Americans will feel the pain.

This discriminatory provision would permanently prohibit the use of funds to pay for any abortion or to pay for any health plan that covers abortion, except if the life of the woman would be endangered, or if the pregnancy was the result of rape or incest. This restriction of the language in the budget reconciliation bill would permanently write into Federal law a ban on abortion funding for low-income women and thus deny them access to vital reproductive health services that are available to others. This places disadvantaged and poor women in substandard health envi-ronment which says to them that we do not care. This ban could force some women to re-sort to unsafe alternatives and others could suffer delays resulting in more risky proce-dures. One way or another, society will have to bear the costs of providing medical and sup-port services for substandard health recipients under this block grant who are not able to ter-minate crisis pregnancies.

Let me now turn my attention to our Na-tion's immigrants. H.R. 2015 restores benefits to those low-income legal immigrants who were receiving SSI benefits when the welfare reform legislation was enacted last August and lost those benefits. However, this is nothing more than a Trojan Horse because the bill does not provide SSI benefits to legal immi-grants who were in the country as of last Au-gust, were not receiving benefits in August, but who later became disabled despite the fact that this was part of the budget agreement. The President has threatened to veto the bill because of the absence of these benefits. We should not allow this Trojan Horse to leave the floor of the House.

Finally, the funding in H.R. 2015 for a chil-dren's health care initiative is turned into a block grant which even the Congressional Budget Office estimates may only cover 500,000 children. This is not a just solution to the crisis of health care for children. This seems to me to be obvious evi-dence that the concern some Republicans have expressed for the 10 million children without health care in our country, is little more than lip service. If their concern was deeply felt we would find that H.R. 2015 pro-vides a reasonable compromise for many of these children as possible. It does not.

Mr. Speaker, I, like many of my colleagues would like nothing more than to vote for legis-la-tion that is a step toward bringing the na-tional budget into balance and eliminating the deficit. I believe, however, that it is possible to do that in a manner that is balanced and compassionate. H.R. 2015 is neither and for this reason I oppose it and urge my colleagues to do the same.

Mr. SPRATT. Mr. Speaker, I yield the balance of my time to the gen-tleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Speaker, I rise in sup-port of this reconciliation bill. This bill takes another important step toward achieving a balanced budget. As one who believes that enactment of a fair and responsible plan to balance the budget by 2002 and beyond is critical to the future of our country, I believe it is extremely important that the House vote today to send this bill to con-fERENCE with the Senate.

The efforts of President Clinton and Congress have resulted in 5 consecutive years of declining deficits and the lowest deficit since the Carter administra-tion. The agreement builds on this tremen-dous achievement, and continues the glide path to a balanced budget.

I am gratified that in numerous in-stances this reconciliation bill reflects the influence of Blue Dog budgets. The savings levels and the policies for Med-icare and Medicaid and other programs are quite close to the savings levels and policies we predicted would com-prise a reasonable compromise.

Anyone who has ever tried to lead knows there are a dozen attacks on any plan is bad for everyone. I re-main solidly in the camp of those who will work for a constructive com-promise.

In that vein, I congratulate the President and his staff, the gentleman from Ohio [Mr. KASICH], the gentleman from South Carolina [Mr. SPRATT], and all of their staff for their hard labors which have brought us to this place.

This has been a good-faith effort to work out the countless policy issues that need to be resolved for the budget agreement to achieve a savings in a fair and equitable manner.

I remain concerned about the impact of some of the policies of this reconcili-aton bill, and particularly I am very concerned about the impact that the policies for achieving the savings in the Medicaid Disproportionate Share Program will have a harmful effect on small rural and inner-city hospitals.

However, we need to remember that this bill has a long way to go before it is enacted into law. The administration will continue to work with Republicans and Democrats to work out these re-maining problems. My primary concern is the lack of meaningful enforcement, but we will yet have another attempt at this tomorrow.

Mr. PALLONE. Mr. Speaker, I yield the balance of my time to the gen-tleman from California [Mr. FAZIO].

The SPEAKER pro tempore. The gen-tleman from California [Mr. FAZIO] is recognized for 1½ minutes.

Mr. FAZIO. Mr. Speaker, I yield the balance of my time to the gen-tleman from California [Mr. DREI]

Mr. DREIER. The gentleman from Texas [Mr. STENHOLM] is recognized for 1/4 minutes.

Mr. STENHOLM. Mr. Speaker, I rise in sup-port of this reconciliation bill. This bill takes another important step toward achieving a balanced budget. As one who believes that enactment of a fair and responsible plan to balance the budget by 2002 and beyond is critical to the future of our country, I believe it is extremely important that the House vote today to send this bill to con-fERENCE with the Senate.

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Anyone who has ever tried to lead knows there are a dozen attacks on any plan is bad for everyone. I re-main solidly in the camp of those who will work for a constructive com-promise.

In that vein, I congratulate the President and his staff, the gentleman from Ohio [Mr. KASICH], my good friend, and the gen-tleman from South Carolina [Mr. SPRATT]. They have resolved a number of problems before they came here.
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today. They have not gone as far as they must go.

The process should go forward, but those of us who remain unhappy with the progress we have made today need to keep before the President and this Congress the pressure to do a better job. I look forward to voting for a better job, and I hope it can be accomplished.

Mr. KAISICH. Mr. Speaker, I yield the balance of my time to the chairman, the gentleman from Ohio, [Mr. JOHN KAISICH], the gentleman who began this long march toward a balanced budget in 1989.

Mr. KAISICH. Mr. Speaker, let me first of all compliment my colleague and friend, the gentleman from South Carolina [Mr. SPRATF]. He has been obviously in a difficult position with some of his very top leadership aggressively opposing the agreement. He has also been a party on a day-to-day basis to work things out. I think about this whole agreement, which has taken a period now of about 6 months. I want to thank him for his support. But I think the gentleman from South Carolina really is in a position to be able to understand what we have gone through on this, and to understand the good-faith efforts that have been made by all sides.

First of all, if we want to have an excuse to vote no, Members can come up with anything they want. I am very disappointed to see some of my friends and colleagues on the other side of the aisle coming up with nothing more than excuses to oppose this bill that is before us today, because the White House supports it. The reason why the White House supports it is because we have kept the spirit of this agreement. Imagine this: about 4 or 5 months ago we started negotiating the entire operation of the Federal Government in an effort to balance the budget and come up with tax cuts. We ended up reaching an agreement. We kept our word to obviously let this House vote on two separate bills, the bills to cut spending to balance the budget, and tomorrow a bill to reduce the taxes and give some more power back to the American people.

We took this agreement, which was laid out in many, many pages, and we went to our committee chairmen, all of whom felt very strongly about the fact that they wanted to design some policies the way they thought made more sense. I will just give the Members one example. The gentleman from Florida [Mr. SHAW] decided that he thought it was essential that we cover those people who are currently disabled who might find themselves off the rolls in a review process, our noncitizens. He decided it was more compassionate to help those people than to help a group of people who were here before the welfare bill was passed who might become disabled.

This was just an honest difference in terms of how we can spend money to be compassionate for people. It would be wrong, it would be unfair, and it would be unjust to accuse the gentleman from Florida [Mr. SHAW] of trying to violate the agreement. It was in rooms and halls where we had to direct a whole panoply of activity across our conference the underpinnings of making sure that this agreement was carried out in terms of its spirit.

Furthermore, the gentleman from Florida is the chairman of a subcommittee. He has the right to carry out some legislation, and at times the Speaker and his leadership did not listen to a bunch of people who felt very strongly about the fact that he had a vote. This week, going to our committee chairmen, all of whom felt very strongly about the fact that we started negotiating the entire operation of the Federal Government in an effort to balance the budget, and tomorrow a bill to reduce the taxes and give some more power back to the American people.

The House divided, who want to find an excuse to downgrade the actions of our chairman, who tried to reach across the aisle and bring a document out here that really made sense and could really represent bipartisan spirit. Let us just get out here today, come over here, give us a 'yes' vote, move this bill into conference. There will be additional changes that will occur. But I would like to say to the rest of the Members in this House and to their staff and the people who watch this debate that we are going to do everything we can to balance the budget. The Berlin Wall of big government has fallen. There will be tax cuts. It is all going to happen because we stuck to principle. We believe in less government, we believe in shifting power, money, and influence from this city, and it is no longer rhetoric. Mr. Speaker, it is reality.

We are going to vote here today and we are going to make this process along and at the end of the day, with the process of further give and take, not deviating from our principles, we will have signed into law before the end of this year the first balanced budget since man walked on the moon. I think it gives all of America a little bit of hope that maybe some of us can get it right here in town, but let us not be confused. There is a proper role for the Federal Government, but into the future it will not be about the power of Government. It will be about the power of every man and every woman and every boy and every girl in this country to live their dreams, to be creative, innovative, be rewarded for their action, and to really, frankly, as America we must be able to gain speed in terms of the power of the United States to influence not just our hemisphere but the entire world, and to make a stand on which all of mankind can be proud.

Mr. SPEWENS. Mr. Speaker, I rise in strong opposition to the Budget Reconciliation Spending Act (H.R. 2015). Nothing is more important than the discussion of the budget. Our Nation's values are all locked up into the way it proceeds with its budget. What we really care about should discover by watching that is included in the budget our understanding of what is really important to this Nation should be reflected in its budget. H.R. 2015 contains numerous modifications to entitlement programs—programs that are the last resort for many of America's children, women, and families.

While Congress is moving forward in the budget process, my colleagues must be reminded that our starting point—the White House-Republican budget agreement—was insufficient, especially in the area of education. We should have to have a budget which is not apologetic about the amount of money we are spending in education. It is crucial that we bring 21st century technology into our 19th century schools. The GAO estimates that we need $135 billion to rebuild our Nation's schools. My colleague from New York, Representative LOWEY, introduced a bill to forward the President's $5 billion initiative to stimulate funding to rebuild America's schools. These funds were not included in the White House-Republican agreement.

Without the school construction initiative proposed by the President, many of the schools that are in this country will not have the buildings to provide a safe and decent place for children to learn. The second area is Head Start. There are an estimated 2.1 million children eligible for the Head Start Program. According to an analysis by the National Environmental Association, $1 billion is required to ensure that all of these children have access to early childhood learning, a crucial component in their developmental process. The funding necessary to serve these future American taxpayers again was not a part of the historic agreement. What message are we sending to the Nation when our social safety net program for children 4 years old and under?

Today, we enter the stage in the budget process where permanent spending priorities are being proposed under H.R. 2015. The entitlement programs with the largest reduction
in this bill are Medicare—$115 billion—and Medicaid—$11 billion. Why do we continue to cut Medicare and Medicaid? We do need to address Medicare and Medicaid in a new way, and stop the assumption that these programs are where most of the money is, and therefore justifying proposals to cut Medicare and Medicaid. The savings that Medicare will yield will come from cutting payments to providers, $102 billion, making hospitals and doctors pay to stay in plans, as well as $129 billion in increased premiums in Medicare part B to be paid by the Medicare beneficiaries.

That was yesterday's language. Today, the Republicans tell us that the increased premiums will be paid by some beneficiaries. These beneficiaries are described by their income percentage of the poverty level. For example, beneficiaries with incomes between 100 percent and 135 percent of the poverty level will not have Medicare part B premium increases; but, for those with incomes between 135 percent and 175 percent of the poverty level, the premiums will cover the 15 percent of the premium that is attributable to the transfer of home health services from Medicare part A to part B. Who will decide whether those with income at the 135 percent of poverty level be considered in the free category or premium increased category? Why are we being asked to pay a premium, a way which will penalize our elderly and our poor people?

The bill includes $16 billion over 5 years for a new child health assistance block grant. While $16 billion is better than nothing, it is estimated that the plan is far short of reaching one-half of the 10 million children who are without health insurance. Why has this plan for children's health care been changed to a block grant? Under the block grant concept, funds would be distributed to States based on the State's share of uninsured children, and then adjusted for the average cost of health. This appears to be a ball of confusion to me. We need to ask ourselves in the future, where is this to be essential, since those on SSI are able-bodied after this date. At best, the omission of the noncitizens provision in the Balanced Budget Act of 1997 was simply a nonbinding, politically correct bill.

Yet, today we are considering a bill that could become permanent law and would resort to a decategorization of workers in the Workfare Program, I see benefits that every American in the United States believes is the right thing to do, the Welfare-to-Work Program. I see benefits that every American in the United States believes is the right thing to do, that she, may not, lose her benefits based on whether the SSI employees determine her to be disabled as well as elderly. The disability determination process can be lengthy, detailed, and often full of uncertainties, especially for those with a limited command of English. I did not understand one language from citizens already on the rolls last year, and I continue to oppose any efforts to take away benefits for this group of people. Subjecting 300,000 poor, elderly aliens to the SSI redetermination process is unjust.

I have been working closely with the Polish and Hispanic communities in my district to restore what I view as harmful cuts in benefits passed as part of the welfare bill. I cannot think of one group of people more vulnerable than the elderly and disabled dependent on supplementary security income. In addition to grandfatherners all noncitizens on SSI as of last Wednesday, this support for workfare participants. Where is the Nation going? Where are our values? We have laws that protect all other workers from sexual harassment in the workplace. Are we sending the message that it is alright to sexually harass poor or needy women? This sounds like slavery all over again.

In direct breach of the so-called budget agreement, H.R. 2015 would sanction the discrimination and gross mistreatment of workfare participants. Yesterday, the New York Times documented a tragedy in which a 50-year-old Workfare participant in New York died on her job. Apparently, this individual suffered a heart attack and was not able to work. Yet, the individual's well-documented medical history was allegedly ignored. The Times revealed that many workfare workers have complained about genuine health problems, and were still forced to work in conditions inimical to their health. And Congress' unconscionable answer to this is to ensure that wrongfully workfare workers have no Federal protections.

Moreover, H.R. 2015 reneges on the White House Republican budget agreement's promise to restore benefits to legal, disabled immigrants who face termination of the SSI program in H.R. 2015 would ensure that those immigrants who received SSI before the date of the welfare reform bill's enactment, August 22, 1996, will continue to receive them. However, no provisions are made for those elderly, legal immigrants who were in the country by August 22 and became disabled since the date of the original agreement. This protection reveals a distorted understanding of an agreement. At worst, it indicates a careless, despicable disregard for our legal immigrants who lack the ability to secure the resources needed to sustain a minimum standard of living.

Undoubtedly, this bill still needs more work. This Nation's budget must reflect our values. Our values do not rob the poor and our children to provide for the rich. We must educate our children, all ages. We must build new schools. We must provide child health care for all needy children. We must keep freedom alive for all citizens. And we must do all of this without cutting Medicare and Medicaid, thereby, penalizing our elderly and our poor. I urge my colleagues to reject this shameful budget bill and vote "no" against H.R. 2015.

Ms. JOHNSTON of Connecticut. Mr. Speaker, today I rise in support of the Balanced Budget Act of 1997. Specifically, I strongly support the provision that will allow any permanent resident who was receiving supplemental security income [SSI] as of the enactment of last year's welfare bill, August 22, 1996, to continue to do so.

I believe the noncitizen provisions in the Balanced Budget Act are compassionate and fair. By grandfathering everyone currently on SSI, it does not require anyone to undergo an eligibility redetermination process. I consider this to be essential, since those on SSI are some of our most vulnerable members of society—poor, elderly, and disabled. Imagine telling an 85-year-old widow who qualified for SSI under an elderly category that she may lose her benefits based on whether the SSI employees determine her to be disabled as well as elderly. The disability determination process can be lengthy, detailed, and often full of uncertainties, especially for those with a limited command of English. I did not understand one language from citizens already on the rolls last year, and I continue to oppose any efforts to take away benefits for this group of people. Subjecting 300,000 poor, elderly aliens to the SSI redetermination process is unjust.

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The territories are capped under current law in the amount of Medicaid payments we can receive and as a result, our current funding level does not permit DSH payments to our already struggling hospitals. This very punitive decision not to provide this very needed increase in Medicaid payments for the territories will severely undermine the already fragile health-care delivery system and impact severely on children and the poor in the U.S. off-shore areas.

This reconciliation bill defiantly turns its back on a hard fought bipartisan balanced budget agreement that reflected a compromise on many important and controversial issues. We must insist that the majority live up to the agreement they reached with the President by voting no on this deeply flawed bill.
June 25, 1997

CONGRESSIONAL RECORD—HOUSE

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today in support of H.R. 2015, the Fiscal Year 1998 Balanced Budget Act.

My priority as a Member of Congress has been to work toward implementation of a balanced Federal budget. Over the course of the past 3 years, the Republican Congress has reduced the deficit and cut Government spending by $43 billion. We have also raised the level of debate on this issue to the point that we are at today. It took Republican leadership to get it to this point in history as we are about to vote on a proposal to balance the Federal budget by 2002—the first balanced Federal budget since 1969.

I am pleased to stand in support of taking the next step forward towards securing a better future for our children and for our country. This budget sets reasonable priorities for Federal Government spending. And, later this week, we will vote on another proposal to return money to the pockets of hard-working American citizens.

This agreement balances our country’s economic needs with our commitment to our veterans, seniors, students, and hard-working taxpayers, and allows generous spending on programs that are important to them.

The package also contains important reforms to the Medicare program, that serve so many older Americans in my District and millions of Americans across the country. Under this agreement, the Medicare Part A trust fund will be preserved and protected for at least 10 years. We make these reforms while increasing spending on the program each year.

Seniors will be given greater choices in their health care coverage. For the first time, beneficiaries will have the option of enrolling in medical savings accounts. The range of preventive benefits will be expanded to include mammography, diabetes, and prostate and colorectal cancer screenings.

The budget reconciliation package makes other important changes to the delivery of health care. States will be provided with greater flexibility to manage the Medicaid Program and in turn, Federal outlays on Medicaid will be reduced by approximately $11.4 billion over the next 5 years. At the same time, States will share a $16 billion block grant to provide health insurance for currently uninsured children from low-income families.

H.R. 2015 also makes reasonable changes to existing welfare and immigration laws that were enacted in the 104th Congress. It maintains the core reforms to welfare, SSI, and food stamps, yet restores benefits to a vulnerable group of legal immigrants, the aged and disabled, who were receiving SSI at the time the laws were signed.

As more and more Americans enroll in managed care, it is critical to address some concerns that have been raised about the management of these programs. H.R. 2015 includes a number of important consumer protections for Medicare and Medicaid recipients enrolled in managed care. Included are proposals to prohibit a managed care plan from preventing a physician from advising a patient, and requires that the length of a Medicaid recipients hospital stay be determined by the patient and doctor, instead of a health management organization.

For these, and many other reasons, I am pleased to support this budget that makes commonsense spending decisions, sets priorities, continues adequate levels of spending on important Federal programs to protect our health, safety, seniors, families, and children. This budget resolution is true to our commitment to balance the Federal budget and live within our means. It assures fiscal discipline and it takes power out of Washington and returns it to New Jersey and our neighborhoods.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 174, the bill is considered as read for amendment, and the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. BROWN of Ohio. In its current form, I am, Mr. Speaker. The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

MOTION TO RECOMMEND OFFERED BY MR. BROWN OF OHIO

Mr. BROWN of Ohio. I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. BROWN of Ohio. In its current form, I am, Mr. Speaker. The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

MOTION TO RECOMMEND H.R. 2015 WITH INSTRUCTIONS

OFFERED BY MR. BROWN OF OHIO

Mr. Brown of Ohio moves to recommit the bill H.R. 2015 to the Committee on the Budget with instructions to report the same back to the House forthwith with the following amendment:

Strike subtitle F of title III and insert the following:

Subtitle F—Child Health Insurance Initiative Act of 1997

SEC. 3500. SHORT TITLE OF SUBTITLE.

This subtitle may be cited as the "Child Health Insurance Initiative Act of 1997".

CHAPTER 1—IMPROVED OUTREACH

SEC. 3501. GRANT PROGRAM TO PROMOTE OUTREACH EFFORTS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated, for each fiscal year beginning with fiscal year 1998 to the Secretary of Health and Human Services, $25,000,000 for grants to States, localities, and nonprofit entities to promote outreach efforts to enroll eligible children under the medicaid program under title XIX
of the Social Security Act (42 U.S.C. 1396 et seq.) and related programs.

(b) USE OF FUNDS.—Funds under this section may be used to reimburse States, localities, and nonprofit entities for additional training and technical assistance costs associated with outreach activities. Such activities include the following:

(1) USE OF A COMMON APPLICATION FORM FOR FEDERAL MEDICAID AND CHAMPUS PROGRAMS.—Implementing use of a single application form (established by the Secretary and based on the model application forms developed under subsection (c) of section 1902(a) of the Omnibus Budget Reconciliation Act of 1989 (42 U.S.C. 1396a note)) to determine the eligibility of a child or the child’s family (as applicable) for assistance or benefits under the medicaid program and under other Federal child assistance programs (such as the temporary assistance for needy families program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)) or the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)), and the State program for foster care maintenance and adoption assistance payments under part E of title IV of the Social Security Act (42 U.S.C. 670 et seq.).

(2) OUTSPENDING OF ELIGIBILITY PERSONNEL.—Providing for the stationing of eligibility workers at sites, such as hospitals and health clinics, at which children receive health care or related services.

(c) APPLICATION, ETC.—Funding shall be made available under this section only upon the approval of an application by a State, locality, or nonprofit entity for such funding and each such application shall be subject to the review and approval of the Secretary.

(d) ADMINISTRATION.—The Secretary shall administer the grant program under this section according to the applicable administrative unit designated under section 509(a) of the Social Security Act (42 U.S.C. 709(a)) to promote coordination of medicaid and maternal and child health activities and other child health related activities.

CHAPTER 2—MEDIKIDS PROGRAM

SEC. 3521. STATE ENTITLEMENT TO PAYMENT FOR MEDIKIDS PROGRAM.

(a) In General.—Each State that has a plan for a State FMAP-eligible medicaid program, approved by the Secretary, is entitled to receive, from amounts in the Treasury not otherwise appropriated and from any Federal expenditures in any fiscal year 1998, payment of the amounts provided under section 3523.

(b) Application.—The Secretary shall establish a procedure for the submittal and approval of plans for Medikiids programs under this chapter. The Secretary shall approve the plan of a State for such a program if the Secretary determines that—

(1) the State is meeting the medicaid coverage requirements of section 3522(a), and

(2) the plan provides assurances satisfactory to the Secretary that the Medikiids program will be conducted consistent with the applicable requirements of section 3522.

SEC. 3522. REQUIREMENTS FOR APPROVAL OF MEDIKIDS PROGRAM.

(a) ADEQUATE MEDICAID COVERAGE.—The medicaid coverage requirements of this subsection are the following:

(1) COVERAGE OF PREGNANT WOMEN AND CHILDREN UP TO 18 PERCENT OF POVERTY.—The State has established 18 percent of the poverty line as the applicable percentage under section 1902(1)(D)(ii)(A) of the Social Security Act (42 U.S.C. 1396a(1)(D)(ii)(A)).

(2) COVERAGE OF CHILDREN UP TO 19 YEARS OF AGE.—The State provides, either through exercise of the option under section 1902(1)(D)(ii) of such Act (42 U.S.C. 1396d(1)(D)) or authority under section 1902(r)(2) of such Act (42 U.S.C. 1396a(r)(2)) for coverage under section 1902(1)(D)(ii) of such Act of individuals under 19 years of age, regardless of date of birth.

(b) APPLICABILITY.—(A) MEDICAID.—Subject to subparagraph (B), the State—

(i) has not modified the eligibility requirements for children under the State medicaid plan, as in effect on January 1, 1997, in any way that would have the effect of reducing the eligibility of children for coverage under such plan,

(ii) has not made any modifications pursuant to subparagraph (A) of section 1115 of the Social Security Act (42 U.S.C. 1315) that affect the eligibility of children for coverage under such plan.

(B) COVERAGE OF UNINSURED CHILDREN.—(1) In General.—A MediKids program shall not provide benefits for children who are otherwise covered under medicaid or another medicaid plan or under a group health plan, health insurance coverage, or other health benefits coverage, but may expend funds for outreach and education in order to promote coverage under such plans.

(2) Construction.—Nothing in this subsection shall be construed as requiring a MediKids program to provide coverage for all near poverty level children described in paragraph (1) who are residing in the State.

(c) MEDICAID-EQUIVALENT BENEFITS.—Subject to subsection (d), a MediKids program shall provide benefits to eligible children for the items and services for which medicaid assistance is available (other than cost-sharing) to children under the State’s medicaid plan.

(d) PREMIUMS AND COST-SHARING.—

(1) In General.—Subject to paragraphs (2) and (3), a MediKids program may—

(A) require the payment of premiums as a condition for coverage, but only for a covered child whose family income exceeds the poverty line,

(B) impose deductibles, coinsurance, copayments, and other cost-sharing based on a sliding scale related to the family income of the covered child, and

(C) vary the levels of premiums, deductibles, coinsurance, copayments, and other cost-sharing based on a sliding scale related to the family income of the covered child.

(2) LIMITS ON PREMIUMS AND COST-SHARING.—The Secretary shall establish limits on the amount of cost-sharing expenses associated with the following:

(a) medical assistance of a State under title XIX of the Social Security Act (42 U.S.C. 1396a(l)(1)(D)),

(b) the plan or under a group health plan, other health benefits coverage, or other cost-sharing based on a sliding scale related to the family income of the covered child.

(3) spies...

(4) CONSTRUCTION.—Nothing in this section shall be construed as requiring a MediKids program to provide coverage or covered services provided under such program.

(5) No cost sharing for preventive services.—A MediKids program may not impose deductibles, coinsurance, copayments, or other cost-sharing with respect to preventive services for such years.

(6) State entitlement.—This chapter constitutes budget authority in advance of appropriations Acts, and represents the obligation of the Federal Government to provide for the payment to qualifying States of amounts provided under this section.

SEC. 3523. PAYMENT AMOUNTS.

(a) TOTAL AMOUNT AVAILABLE.—

(1) In General.—The total amount of funds that the Secretary shall make available to a State under this section for a fiscal year is the base amount specified in paragraph (2) for the fiscal year reduced by the amount specified under paragraph (3) for the fiscal year.

(2) BASE AMOUNT.—The base amount specified under this paragraph for fiscal year 1998 and any subsequent fiscal year is $2,805,000,000.

(3) OFFSET FOR CERTAIN INCREASED MEDICAID EXPENDITURES.—(A) IN GENERAL.—Subject to subparagraph (B), the amount specified under this paragraph for a fiscal year is the amount of additional Federal expenditures made available under section 1902(a) of the Social Security Act (42 U.S.C. 1396l(a)) above the percentage in effect as of June 25, 1997, or from any exercise of an option described in section 3522(a)(2) effected on or after such date, shall be treated as additional Federal expenditures attributable to the imposition of the conditions described in section 3522(a).

(b) ALLOTMENT AMONG STATES.

(A) IN GENERAL.—The Secretary shall establish a formula for the allotment of the total amount of funds available under subsection (a) among the qualifying States for each fiscal year.

(B) BASIS.—The formula shall be based upon the Secretary’s estimate of the number of near poverty level children in the State as a proportion of the total of such numbers for all the qualifying States.

(c) PAYMENTS.—(A) In General.—From the allotment of each qualifying State under subsection (b) for a fiscal year, the Secretary shall pay to the State for each quarter in the fiscal year an amount equal to 75 percent of the total amount expended during such quarter to carry out the State’s MediKids program.

(B) NOT COUNTING COST-SHARING.—For purposes of this paragraph (A), any State program that imposes premiums for coverage or requires payment of deductibles, coinsurance, copayments, or other cost sharing, under rules of the Secretary, expendable to such premiums or cost sharing shall not be taken into account under paragraph (1).

(d) STATE ENTITLEMENT.—This chapter constitutes budget authority in advance of appropriations Acts, and represents the obligation of the Federal Government to provide for the payment to qualifying States of amounts provided under this section.

SEC. 3529. DEFINITIONS.

For purposes of this chapter: (1) The term ‘‘medicaid plan’’ means the plan of medical assistance of a State under title XIX of the Social Security Act.
The term "MediKids program" means a child health insurance program of a State under this title.

The term "near poverty level child" means an individual whose family income of which (as defined by the Secretary) is at least 100 percent, but less than 300 percent, of the poverty line.

The term "poverty line" has the meaning given such term in section 6732(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section.

The term "qualifying State" means a State with a MediKids program for which a plan is submitted and approved under this title.

The term "Secretary" means the Secretary of Health and Human Services.

The term "State" means the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

Chapter 3—Continuation of Medicaid and Child Health Insurance Programs for Children Who Lose Medicaid Benefits

Section 3531. Guaranteed Availability of Individual Health Insurance Coverage to Uninsured Children

This section may be cited as the "Balanced Budget Act of 1997".

Section 3534. Guaranteed Availability of Individual Health Insurance Coverage to Uninsured Children

Section 3541. Guaranteed Availability of Individual Health Insurance Coverage to Uninsured Children

Section 3544. Eligible Child Defined

Section 3545. Incorporation of Certain Provisions

Section 3546. Substitution by State of Acceptable Alternative Mechanisms

Section 3547. Special Rules for Acceptable Alternative Mechanisms

Title XI—Budget Process

Section 11001. Short Title and Table of Contents

Section 11002. Definitions

For purposes of this title:

(1) Eligible population. The term "eligible population" means an individual or group of individuals to whom the United States is obligated to make a payment under the provisions of a law creating entitlement authority. Such term shall not include States, localities, corporations or other nonliving entities.

(2) Sequestration. The terms "sequester" and "sequestration" refer to or mean the cancellation of budgetary resources provided by discretionary appropriations or direct spending laws.

(3) Budget. The term "budget" means, for any fiscal year, the amount (if any) by which outlays for that year (within a category of direct spending) is above that category's discretionary spending cap for that year.

(4) Baseline. The term "baseline" means the projection (described in section 12207 of current levels of new budget authority, outlays, receipts, and the surplus or deficit into the budget year and outyears.

(5) Budgetary resources. The term "budgetary resources" means new budget authority, unobligated balances, direct spending, budget authority, and obligation limitations.

(6) Discretionary appropriations. The term "discretionary appropriations" means budgetary resources (except to fund direct spending) provided in appropriation Acts. If an appropriation Act alters the level of direct spending or offsetting collections, that effect shall be treated as direct spending classified as a change in budgetary resources, as applicable.

(7) Direct spending. The term "direct spending" means:

(A) budget authority provided by law other than appropriation Acts, including entitlement authority;

(B) entitlement authority;

(C) the food stamp program.

If a law other than an appropriation Act alters the level of discretionary appropriations or offsetting collections, that effect shall be treated as direct spending.

(8) Title I. The term "Title I" means any direct spending law.

(9) Current. The term "current" means, for a fiscal year, the amount (if any) by which outlays for that year (within a category of direct spending) is above that category's discretionary spending cap for that year.

(10) Economic and technical assumptions. The term "economic and technical assumptions" means the assumptions under section 2741(b)(1) of the Social Security Act, or (C) a State plan under title XIX of such Act (or any successor program), and does not have other health insurance coverage; and (3) with respect to whom the most recent coverage (if any, within the 1-year period ending on the date the coverage is sought under this section) was not terminated based on a factor described in paragraph (1) or (2) of section 2712(b)(2) (relating to nonpayment of premiums or fraud).

For purposes of paragraph (2)(A), the term "group health plan" does not include COBRA continuation coverage.

Section 11003. Amendments

Section 11004. Deficit and Revenue Targets

Section 11005. Economic Assumptions

Section 11006. Revisions to Deficit and Revenue Targets and to the Caps for Entitlements and Other Mandatory Spending

Subtitle B—Enforcement Provisions

Section 11201. Reporting Excess Spending

Section 11202. Enforcing Direct Spending Caps

Section 11203. Sequestration Rules

Section 11204. Enforcing Revenue Targets

Section 11205. Exempt Programs and Activities

Section 11206. Special Rules

Section 11207. The Current law baseline

Section 11208. Limitations on Emergency Spending

Section 11209. Economic Assumptions

Section 11210. Revisions to Deficit and Revenue Targets and to the Caps for Entitlements and Other Mandatory Spending
(10) ACCOUNT.—The term "account" means an item for which there is a designated budget account designation number in the President’s budget.

(11) BUDGET YEAR.—The term “budget year” means the fiscal year of the Government that starts on the next October 1.

(12) CURRENT YEAR.—The term “current year” means, with respect to a budget year, any one of the fiscal years that follow the budget year.

(13) OUTYEAR.—The term “outyear” means, with respect to a budget year, any one of the fiscal years that immediately precedes that budget year.

(14) OMB.—The term “OMB” means the Director of the Office of Management and Budget.

(15) CBO.—The term “CBO” means the Director of the Congressional Budget Office.

(16) BUDGET OUTLAYS AND OUTLAYS.—The terms “budget outlays” and “outlays” mean, with respect to any fiscal year, expenditures of funds under budget authority during such year.

(17) BUDGET AUTHORITY AND NEW BUDGET AUTHORITY.—The terms “budget authority” and “new budget authority” have the meanings given to them in section 3 of the Congressional Budget and Impoundment Control Act of 1974.

(18) APPROPRIATION ACT.—The term “appropriation Act” means an Act referred to in section 105 of title 1 of the United States Code.

(19) CONSOLIDATED DEFICIT.—The term “consolidated deficit” means, with respect to a fiscal year, the amount by which total outlays exceed total receipts during that year.

(20) SURPLUS.—The term “surplus” means, with respect to a fiscal year, the amount by which total receipts exceed total outlays during that year.

(21) DIRECT SPENDING CAPS.—The term “direct spending caps” means the nominal dollar limits for entitlements and other mandatory spending pursuant to section 305 of the Congressional Budget Act of 1974 and modified by any revisions provided for in this Act.

Subtitle A—Ensure That the Bipartisan Balanced Budget Agreement of 1997 Achieves Its Goal

SEC. 1101. TIMETABLE

On or before: January 15

First Monday in February: Action to be completed: CBO economic and budget update.

August 1: President’s budget update: due based on new assumptions.

August 15: CBO analyses of deficits, revenues, and spending levels.

Not later than November 1 (and as soon as practical after the end of the fiscal): CBO analyses of deficits, revenues, and spending levels.

November 1-December 15: Congressional action to avoid sequestration.

December 15: CBO analyses of deficits, revenues, and spending levels.

December 15: Presidential sequester order.

December 15: Senate report on deficit reduction measures.

Sec. 1102. PROCEDURES TO AVOID SEQUESTRATION OR DELAY OF NEW REVENUE REDUCTIONS.

(a) SPECIAL MESSAGE.—If the OMB analysis of actual spending levels and projections for the upcoming year indicates that—(1) deficits in the most recently completed fiscal year exceeded, or the deficits in the budget year are projected to exceed, the deficit targets in section 1104;

(2) revenues in the most recently completed fiscal year were less than, or revenues in the current year are projected to be less than, the revenues in the fiscal year 1994;

(3) outlays in the most recently completed fiscal year exceeded, or outlays in the current year are projected to exceed, the caps in section 1104, the President shall submit to Congress with the OMB analysis of actual spending levels and projections for the upcoming year a special message that includes proposed legislative changes to—(A) offset the net deficit or outlay excess; (B) offset any revenue shortfall; or (C) revise the deficit targets or expenditure caps contained in this Act; through any combination of—(i) reductions in outlays; (ii) increases to revenues; and (iii) increases in the deficit targets or expenditure caps. or reductions in the revenue targets. If the President submits a written determination that, because of economic or programmatic reasons, none of the variances from the balanced budget plan should be offset.

(b) INTRODUCTION OF THE PRESIDENT’S PACKAGE.—Not later than November 15, the message from the President required pursuant to subsection (a) shall be introduced as a joint resolution in the House of Representatives. Congress may consider the resolution for the outyear of its Committee on the Budget. If the chairman fails to do so, after November 15, the joint resolution may be introduced by any Member of Congress and shall be referred to the Committee on the Budget of that House.

(c) HOUSE BUDGET COMMITTEE ACTION.—The Committee on the Budget of the House of Representatives shall, by November 15, report a joint resolution containing—(1) the recommendations in the President’s message; and (2) legislative changes to—(A) offset the net deficit or outlay excess; (B) offset any revenue shortfall; or (C) revise the deficit targets or expenditure caps contained in this Act, except that any changes to the deficit or revenue targets or expenditure caps cannot be less than or equal to the recommendation recommended in the message submitted by the President.

(d) PROCEDURE IF THE COMMITTEE FAILS TO REPORT REQUIRED RESOLUTION.—(1) AUTOMATIC DISCHARGE OF SENATE BUDGET COMMITTEE.—If the Committee on the Budget of the Senate fails, by December 1, to report a joint resolution or on or after December 1, to report a joint resolution reflect the message of the President pursuant to subsection (d), the Senate Budget Committee shall be automatically discharged from further consideration of the joint resolution reflecting the President’s recommendations introduced pursuant to subsection (c) and of the joint resolution passed by the House of Representatives, and both joint resolutions shall be placed on the appropriate calendar.

(e) CONSIDERATION OF DISCHARGE RESOLUTION IN THE SENATE.—(A) If the Committee on the Budget of the Senate has been discharged under paragraph (1), any member may move that the Senate consider the joint resolution as an original measure. The motion shall be privileged and not debatable. It shall not be in order to consider any amendment to the joint resolution except amendments which are germane and which do not change the net deficit impact of the resolution.

(f) CONSIDERATION OF DISCHARGE RESOLUTION IN THE HOUSE.—(A) If the Committee on the Budget of the House of Representatives has been discharged under paragraph (1), any member may move that the House consider the joint resolution as an original measure. The motion shall be privileged and not debatable. It shall not be in order to consider any amendment to the joint resolution except amendments which are germane and which do not change the net deficit impact of the resolution.

(g) REQUIREMENTS FOR SPECIAL JOINT RESOLUTION.—If the Senate joint resolution and the joint resolution of the House of Representatives shall cause the resolution to be engrossed, certified, and transmitted to the Senate within 1 calendar day of the December 1, to report a joint resolution pursuant to subsection (d) shall be in order to consider any amendment to the joint resolution except amendments which are germane and which do not change the net deficit impact of the resolution.

(h) PROCEDURE IF THE SENATE COMMITTEE FAILS TO REPORT REQUIRED RESOLUTION.—If the Committee on the Budget of the Senate fails, by December 1, to report a joint resolution with or without amendment, or (A) joint resolution containing different policies than those contained in either the message of the President or the joint resolution passed by the House of Representatives, to eliminate all excess deficits or expenditures or any revenue shortfalls, or (B) any changes to the deficit or revenue targets, or to the expenditure caps, or (C) reductions in outlays or (D) offset the net deficit or outlay excess, or (E) increase in the deficit targets or expenditure caps, or (F) reductions in the revenue targets, the joint resolution may be introduced by any Member of Congress and shall be referred to the Committee on the Budget of that House.

(i) HOUSE BUDGET COMMITTEE ACTION.—The Committee on the Budget of the House of Representatives shall, by November 15, report a joint resolution containing—(1) the recommendations in the President’s message; and (2) legislative changes to—(A) offset the net deficit or outlay excess; (B) offset any revenue shortfall; or (C) revise the deficit targets or expenditure caps contained in this Act, except that any changes to the deficit or revenue targets or expenditure caps cannot be less than or equal to the recommendation recommended in the message submitted by the President.

(j) PROCEDURE IF THE COMMITTEE FAILS TO REPORT REQUIRED RESOLUTION.—(1) AUTOMATIC DISCHARGE OF SENATE BUDGET COMMITTEE.—If the Committee on the Budget of the Senate fails, by December 1, to report a joint resolution containing different policies than those contained in either the message of the President or the joint resolution passed by the House of Representatives, to eliminate all excess deficits or expenditures or any revenue shortfalls, or (A) any changes to the deficit or revenue targets, or to the expenditure caps, or (B) reductions in outlays or (C) offset the net deficit or outlay excess, or (D) increase in the deficit targets or expenditure caps, or (E) reductions in the revenue targets, the joint resolution may be introduced by any Member of Congress and shall be referred to the Committee on the Budget of that House.

(k) CONFERENCE REPORTS SHALL FULLY ADJUST EXISTING BUDGET OR DEBT LIMITS.—If, in order to reduce any deficit or revenue shortfall, or to reduce the deficit or revenue targets or expenditure caps, the joint resolution of the Senate and the joint resolution of the House of Representatives shall call for the reduction of any debt or budget limits for entitlements and other mandatory spending pursuant to section 305 of the Congressional Budget Act of 1974 and subsection (d).

Transmittal to Senate.—If a joint resolution passes the House of Representatives pursuant to subsection (d) of the House of Representatives shall cause the resolution to be engrossed, certified, and transmitted to the Senate within 1 calendar day of the December 1, to report a joint resolution pursuant to subsection (d) shall be in order to consider any amendment to the joint resolution except amendments which are germane and which do not change the net deficit impact of the resolution.

The joint resolution shall be referred to the Senate Committee on the Budget.

Requirements for Special Joint Resolution.—If the Senate joint resolution and the joint resolution of the House of Representatives shall cause the resolution to be engrossed, certified, and transmitted to the Senate within 1 calendar day of the December 1, to report a joint resolution pursuant to subsection (d) shall be in order to consider any amendment to the joint resolution except amendments which are germane and which do not change the net deficit impact of the resolution.

The joint resolution shall be referred to the Senate Committee on the Budget.

Conference Reports shall fully adjust existing budget or debt limits.—If, in order to reduce any deficit or revenue shortfall, or to reduce the deficit or revenue targets or expenditure caps, the joint resolution of the Senate and the joint resolution of the House of Representatives shall call for the reduction of any debt or budget limits for entitlements and other mandatory spending pursuant to section 305 of the Congressional Budget Act of 1974 and subsection (d).
any excess deficits or outlays or to eliminate all or part of any revenue shortfall compared to the deficit and revenue targets and the expenditure caps contained in this Act, unless:

(1) the joint resolution offsets the entire amount of any overage or shortfall;

(2) the House of Representatives and Senate fail to report a joint resolution pursuant to subsection (j)(2).

The vote on any resolution reported pursuant to subsection (j)(2) shall be solely on the subject matter relating to the deficit and revenue targets or the expenditure limits in this Act.

SEC. 11103. EFFECT ON PRESIDENT'S BUDGET SUBMISSIONS; POINT OF ORDER.

(a) BUDGET SUBMISSION.—Any budget submitted by the President pursuant to section 1105(a) of title 31, United States Code, for each of fiscal years 1998 through 2007 shall be consistent with the spending, revenue, and deficit levels established in sections 11104 and 11105 or it shall recommend changes to those levels.

(b) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution submitted by the President pursuant to section 1105(a) of title 31, United States Code, for any year, OMB shall calculate direct spending under this Act, the consolidated deficit and revenue targets shall be:

(1) for fiscal year 1998, $90,500,000,000; 

(2) for fiscal year 1999, $89,700,000,000; 

(3) for fiscal year 2000, $83,000,000,000; 

(4) for fiscal year 2001, $135,000,000,000; and

(5) for fiscal year 2002, $1,400,000,000,000.

(b) BUDGET COMMITTEE REPORTS.—For purposes of sections 11102 and 11107, the consolidated deficit targets shall be:

(1) for fiscal year 1998, $1,601,800,000,000; 

(2) for fiscal year 1999, $1,664,200,000,000; 

(3) for fiscal year 2000, $1,728,100,000,000; 

(4) for fiscal year 2001, $1,805,100,000,000; and

(5) for fiscal year 2002, $1,890,400,000,000.

(c) CHANGES TO DEFICIT TARGETS.—The deficit targets in section 11104 shall be adjusted to reflect changes in the revenue targets or the direct spending caps as enacted pursuant to this Act.

(d) AUTOMATIC ADJUSTMENTS TO DEFICIT AND REVENUE TARGETS AND CAPS FOR ENTITLEMENTS AND OTHER MANDATORY SPENDING.—Subject to periodic reestimation based on changed economic conditions or changes in the applicable estimated level of entitlements or other mandatory spending, determinations of the direct spending caps under section 11105, any breaches of such caps, and actions necessary to remedy such breaches shall be based upon the economic assumptions set forth in the joint explanatory statement of managers accompanying the concurrent resolution on the budget for fiscal year 1998 (House Concurrent Resolution 84, 105th Congress).

SEC. 11104. DEFICIT AND REVENUE TARGETS.

(a) CONSOLIDATED DEFICIT (OR SURPLUS) TARGETS.—For purposes of sections 11102 and 11107, the consolidated deficit targets shall be:

(1) for fiscal year 1998, $90,500,000,000; 

(2) for fiscal year 1999, $89,700,000,000; 

(3) for fiscal year 2000, $83,000,000,000; 

(4) for fiscal year 2001, $135,000,000,000; and

(5) for fiscal year 2002, $1,400,000,000,000.

(b) BUDGET COMMITTEE REPORTS.—Within 30 days after enactment of this Act, the Budget Committees of the House of Representatives and the Senate shall file with their respective Houses of Congress, and the applicable estimated level of mandatory spending under laws and policies enacted or effective before July 1, 1997, growth adjustment factors shall equal the ratio between the level of year-over-year growth measured for the fiscal year most recently completed and the applicable estimated level for that year as described in section 11105.

(c) CHANGES IN ELIGIBLE POPULATIONS.—For fiscal years 1998 through 2007, the basis for adjustments under this section shall be the same as the projections underlying Tables A-4, A-5, A-6, and A-7 of the President's Budget for Fiscal Year 1998, March 1997, page 22.

(d) AUTOMATIC ADJUSTMENTS TO DEFICIT AND REVENUE TARGETS AND CAPS FOR ENTITLEMENTS AND OTHER MANDATORY SPENDING.—With respect to entitlements and other mandatory spending pursuant to subsection (j)(2), subject to periodic reestimation based on changes to the revenue targets or other mandatory spending pursuant to subsection (j)(2), the President submits the budget for any year, OMB shall calculate direct spending under this Act, the consolidated deficit and revenue targets shall be:

(1) for fiscal year 1998, $1,601,800,000,000; 

(2) for fiscal year 1999, $1,664,200,000,000; 

(3) for fiscal year 2000, $1,728,100,000,000; 

(4) for fiscal year 2001, $1,805,100,000,000; and

(5) for fiscal year 2002, $1,890,400,000,000.

(e) CHANGES IN ELIGIBLE POPULATIONS.—In making adjustments for changes in the applicable estimated levels of entitlements or other mandatory spending, determinations of the direct spending caps under section 11105, any breaches of such caps, and actions necessary to remedy such breaches shall be based upon the economic assumptions set forth in the joint explanatory statement of managers accompanying the concurrent resolution on the budget for fiscal year 1998. (House Concurrent Resolution 84, 105th Congress).

(f) PERMISSIBLE REVISIONS TO DEFICIT AND REVENUE TARGETS AND OTHER SPENDING LIMITS.—When the President submits the budget for any year, OMB shall calculate direct spending under this Act, the consolidated deficit and revenue targets shall be:

(1) for fiscal year 1998, $1,601,800,000,000; 

(2) for fiscal year 1999, $1,664,200,000,000; 

(3) for fiscal year 2000, $1,728,100,000,000; 

(4) for fiscal year 2001, $1,805,100,000,000; and

(5) for fiscal year 2002, $1,890,400,000,000.
SUBTITLE B—ENFORCEMENT PROVISIONS

SEC. 11201. REPORTING EXCESS SPENDING.

(a) CALCULATION OF DEFICIT, REVENUE, AND SPENDING LEVELS.—As soon as practicable after any fiscal year, OMB shall compile a statement of actual deficits, surpluses, and inapplicable transfers for such fiscal year. The statement shall identify such spending by categories in section 11105.

(b) ESTIMATED SPENDING REDUCTION.—Based on the statement provided under subsection (a), the OMB shall issue a report to the President and the Congress on December 15 of any year in which such statement identifies actual or projected deficits, revenues, or spending in the current or immediately preceding fiscal years in violation of the direct spending caps in section 11104 or 11105, by more than one percent of the applicable total revenues or direct spending for such year. The report shall:

(1) All instances in which actual direct spending has exceeded the applicable direct spending cap;

(2) The difference between the amount of spending attributable solely to changes in inflation or eligibility, or direct spending caps for fiscal years.

(c) ESTIMATE OF NECESSARY REDUCTIONS.—Based on the statement provided under subsection (a), the OMB shall comply with such caps. The report issued pursuant to section 11104 or 11105. This section shall apply for any fiscal year in which direct spending exceeds the applicable direct spending cap.

SEC. 11202. ENFORCING DIRECT SPENDING CAPS.

(a) PURPOSE.—This subtitle provides enforceability for direct spending caps on categories of spending established pursuant to section 11105. This section shall apply for any fiscal year in which direct spending exceeds the applicable direct spending cap.

(b) GENERAL RULES.—

(1) ELIMINATING A BREACH.—Each non-exempt account within a category shall be reduced by a dollar amount calculated by multiplying the baseline level of the applicable sequesterable budgetary resources in that category at the date that is one year after the date the sequesterable base for such fiscal year is established by the sequestration order. The reduction shall be made to the immediately preceding fiscal year, as described by the applicable sequester.

(2) PROGRAMS, PROJECTS, OR ACTIVITIES.—Except as otherwise provided, the same percentage shall apply to all programs, projects, or activities within a budget account.

(c) INDEBTEDNESS AUTHORITY.—Except as otherwise provided, sequestration in accounts for which obligations are indefinite shall be taken in a manner to ensure that obligations in the fiscal year of a sequestration and in all succeeding fiscal years. Notwithstanding any other provision of law, administration required under this Act shall reduce spending in the current or immediately preceding fiscal year only to the extent necessary to eliminate any remaining excess over the applicable direct spending cap.

(d) STAFF.—For purposes of this section, the term "OMB" means the Director of the Office of Management and Budget, or any person or entity designated by the Director to carry out the provisions of this section.

(e) STATE GRANT FORMULAS.—For all State grant programs subject to direct spending caps—

(A) the total amount of funds available for all States shall be reduced by the amount required to be sequestered; and

(B) if States are projected to receive increased funding in the current or immediately preceding fiscal year, sequestration shall first be applied to the estimated increase in direct spending in place under the existing sequestration or sequestrations.

(f) DETERMINATION OF NECESSARY SPENDING.—For any fiscal year following the current or immediately preceding fiscal year, the amount of excess spending attributable to changes in inflation or eligibility, or direct spending for such year shall be reduced by the amount of excess spending attributable to changes in inflation or eligibility, or direct spending for such year.

SEC. 11203. SEQUESTRATION RULES.

(a) GENERAL RULES.—For programs subject to direct spending caps:

(1) CALCULATION OF REDUCTIONS.—Sequestration shall reduce spending under each separate direct spending cap in proportion to the amounts each category of direct spending exceeded the applicable cap.

(2) UNIFORM PERCENTAGES.—In calculating the uniform percentage applicable to the sequestration of all spending programs or activities within each category, or the uniform percentage applicable to the sequestration of nonexempt direct spending programs or activities, the sequestrable base for direct spending programs and activities is the total level of such programs or activities for those programs or activities in the current law baseline.

(3) PERMANENT SEQUESTERATION OF DIRECT SPENDING.—As provided in section 258(b), sequestered direct spending accounts shall be reduced in the fiscal year in which a sequestration occurs and in all succeeding fiscal years. Notification any other provision of law, administration required under this Act shall reduce spending in the current or immediately preceding fiscal year, as described by the applicable sequester. For the purposes of this subsection, "OMB" means the Director of the Office of Management and Budget, or any person or entity designated by the Director to carry out the provisions of this section.

(b) ESTIMATED SEQUESTERED DIRECT SPENDING ACCOUNTS.—Obligations in sequestered direct spending programs and activities for the current or immediately preceding fiscal year are reduced, from the budget year is complete.

(c) SPECIAL RULE.—For any direct spending program in which—

(i) obligations pay for entitlement benefits; or

(ii) the amount of entitlement authority is increased due to the uniform percentage and all proceeds from such entitlements shall be paid from the Treasury.

(d) EFFECT OF SEQUESTRATION.—If total direct spending for that fiscal year, sequestration shall first be applied to the estimated increase in direct spending in place under the existing sequestration or sequestrations.

(e) INDEXED BONUS PAYMENTS.—If, under any entitlement program—

(A) bonus payments are made to persons or governments more frequently than once a year; and

(B) the amount of entitlement authority is increased due to the uniform percentage and all proceeds from such entitlements shall be paid from the Treasury.

(f) CANCELLATION OF BUDGETARY RESOURCES.—Budgetary resources sequestered from any account other than an trust, special or revolving fund shall revert to the Treasury and be permanently canceled.

(g) IMPLEMENTING REGULATIONS.—Notwithstanding any other provision of law, administrative rules or similar actions implementing any sequestration shall take effect within 30 days of publication.

(h) INDEBTEDNESS AUTHORITY.—Notwithstanding any other provision of law, administration required under this Act shall reduce spending in the current or immediately preceding fiscal year only to the extent necessary to eliminate any remaining excess over the applicable direct spending cap.

(i) LOAN PROGRAMS.—For all loans made, extended, or otherwise modified on or after any sequestration under loan programs subject to direct spending caps—

(A) the sequesterable base shall be total fees charged to borrowers associated with any loan program that was extended, or otherwise modified on or after the date of sequestration and

(B) the fees paid by borrowers shall be increased by a uniform percentage sufficient to produce the dollar savings in such loan programs for the fiscal year or years of the sequestrations required by this section.

(j) INSURANCE PROGRAMS.—For insurance programs, in any year in which a sequestration is in effect, all subsequent fees shall be increased by the uniform percentage and all proceeds from such fees shall be paid into the general fund of the Treasury.

(k) INSURANCE PROGRAMS.—For any sequestration of a Federal program that sells insurance contracts to the public (including the Federal Crop Insurance Fund, the National Insurance Development Fund, the National Flood Insurance Fund, insurance activities of the Overseas Private Insurance Corporation, and Veterans' Life insurance programs) shall be accomplished by increases in the annual average premium increase required under this Act shall reduce spending in the current or immediately preceding fiscal year, as described by the applicable sequester.

(l) DETERMINATION OF NECESSARY SPENDING.—Based on the statement provided under section 11104(a), OMB shall issue a report to the President and the Congress on December 15 of any year in which such statement identifies actual or projected revenues in the current or immediately preceding fiscal years for all programs subject to special rules set forth under section 11304 to revenue targets.

(m) INSURANCE PROGRAMS.—For insurance programs, in any year in which a sequestration is in effect, all subsequent fees shall be increased by the uniform percentage and all proceeds from such fees shall be paid into the general fund of the Treasury.

(n) INDEBTEDNESS AUTHORITY.—Notwithstanding any other provision of law, administration required under this Act shall reduce spending in the current or immediately preceding fiscal year only to the extent necessary to eliminate any remaining excess over the applicable direct spending cap.

(o) STAFF.—For purposes of this section, the term "OMB" means the Director of the Office of Management and Budget, or any person or entity designated by the Director to carry out the provisions of this section.
(2) the amounts by which revenues would be reduced by implementation of the provisions of law described in paragraph (1) compared to provisions of law in effect on December 15; and
(3) whether delaying implementation of the provisions of law described in paragraph (1) would cause the total for revenues in the projected revenues in the current fiscal year and actual revenues in the immediately preceding fiscal year to equal or exceed the total of the targets for the applicable years.

(c) No CREDITS, DEDUCTIONS, EXCLUSIONS, PREFERENTIAL RATE OF TAX, ETC.—If any provision of the Internal Revenue Code of 1986 added by the Revenue Reconciliation Act of 1989 or any provision of the Revenue Reconciliation Act of 1990 would cause revenues to be less than the target revenues in section 11106 for such fiscal year by more than 1 percent, then the provisions of law described in subparagraph (A) shall not have effect for the fiscal year involved unless the applicable percentage, as adjusted pursuant to section 11106, for such fiscal year by more than 1 percent of such target.

(c) PERCENTAGE WHERE FULL SUSPENSION OF THE FEDERAL PRESUMPTION TO ACHIEVE THE REVENUE TARGET.—If the application of subsections (c), (d), and (e) to any tax benefit suspension year would (but for this subsection) result in revenues equal to such target, or
SECTION 11305. EXEMPT PROGRAMS AND ACTIVITIES.
The following budget accounts, activities within accounts, or income shall be exempt from sequestration—
(1) net interest;
(2) all payments to trust funds from excise taxes on tobacco products, or taxes or duties imposed on any article which is properly creditable to such trust funds;
(3) offsetting receipts and collections;
(4) all payments from one Federal direct spending budget account to another Federal budget account;
(5) all intragovernmental funds including those from which funding is derived primarily from other Government accounts;
(6) expenses to the extent they result from the receipt of donations, bequests, or voluntary contributions to the Government;
(7) nonbudgetary activities, including but not limited to—
(A) credit liquidating and financing accounts;
(B) the Pension Benefit Guarantee Corporation Trust Funds;
(C) the Thrift Savings Fund; and
(D) appropriations for the District of Columbia to the extent they are appropriations of locally raised funds;
(E) payments resulting from Government insurance, Government guarantees, or any other form of contingent liability, to the extent those payments result from contractual or other legally binding commitments of the Government at the time of any sequestration;
(9) the following accounts, which largely fulfill requirements of the Constitution or otherwise make payments to which the Government is committed—
(1) net interest;
(2) grants, payments to States, and payments to recipients of grants; and
(3) proceeds of Federal credit programs;
(10) tax refunds and credits.

(d) REGULAR AND EXTENDED UNEMPLOYMENT COMPENSATION.—
(1) A State may reduce each weekly benefit payment made under the regular and extended compensation programs for an additional 1 percent for each week of unemployment occurring during any period with respect to which payments are reduced under any sequestration order by a percentage not to exceed the percentage by which the Congress of the manner in which such authority will be exercised on or before the initial suspension for the fiscal year.

SEC. 11206. SPECIAL RULES.
(a) CHILD SUPPORT ENFORCEMENT PROGRAM.—Any sequestration order shall accomplish the full amount of any required reductions in payments under sections 451 and 452 of the Social Security Act by reducing the Federal matching rate for State administrative costs under the program, as specified (for the fiscal year involved) in section 453(a) of such Act, to the extent necessary to reduce such expenditures by that amount.
(b) COMMODITY CREDIT CORPORATION.—(1) EFFECTIVE DATE.—For the Commodity Credit Corporation, the date on which such sequestration order takes effect in a fiscal year shall vary for each crop of a commodity. In general, the sequestration order shall take effect when issued, but for each crop of a commodity for which 1-year contracts are issued as an entitlement, the sequestration order shall take effect with the start of the sign-up period for that crop that begins after the sequestration order is issued.
(2) That price reduction (measured in cents per hundred-weight of milk marketed) shall occur under subparagraph (A) of section 451(d) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)) (2) (A) (1), shall begin the day any sequestration order is issued, and shall not exceed the aggregate amount of the reduction in outlays under the milk price-support program, that otherwise would have been achieved by reducing payments made for the purchase of milk or the products of milk under this subsection during that fiscal year.
(c) EFFECT OF DELAY.—For purposes of subsection (b)(1), the sequestrable base for Commodity Credit Corporation is the current-year level of gross outlays resulting from new budget authority that is subject to reduction under paragraphs (1) and (2).
(d) CERTAIN AUTHORITY NOT TO BE LIMITED.—Nothing in this Act shall restrict the Corporation in the discharge of its authority and responsibility as a corporation to buy and sell commodities in world trade, or limit or reduce in any way any appropriation that provides the Corporation with funds to cover its realized losses.
(e) EARNED INCOME TAX CREDIT.—(1) The sequestrable base for earned income tax credit program is the dollar value of all current year benefits to the eligible population.
(2) In the event sequestration is triggered to reduce earned income tax credits, all earned income tax credits shall be reduced, whether or not such credits otherwise would result in cash payments to beneficiaries, by a uniform percentage sufficient to produce the dollar savings required by the sequestration order.
(f) REGULAR AND EXTENDED UNEMPLOYMENT COMPENSATION.—(1) A State may reduce each weekly benefit payment made under the regular and extended compensation programs for an additional 1 percent for each week of unemployment occurring during any period with respect to which payments are reduced under any sequestration order by a percentage not to exceed the percentage by which the Congress of the manner in which such authority will be exercised on or before the initial suspension for the fiscal year.
which the Federal payment to the State is to be reduced for such week as a result of such order.

(2) A reduction by a State in accordance with paragraph (1) shall not be considered as a failure to fulfill the requirements of section 3796(a)(11) of the Internal Revenue Code of 1986.

(e) FEDERAL EMPLOYEES HEALTH BENEFITS FUND.—For the Federal Employees Health Benefits Fund, a sequestration order shall take effect with the next open season. The sequestration shall be accomplished by annual payments from that Fund to the General Fund of the United States Treasury. Those annual payments shall be financed solely by charging higher premiums. The sequestrable base for the Fund is the current-year level of gross obligations of the Board in that year, except that it may be made in installments within that year if the payment schedule is approved by the Secretary of the Treasury. Annual payments by a fund may be financed by reductions in costs required to produce the pre-sequester amount of payments but those reductions shall not include reductions in the amount of power supplied by the fund, by reductions in capital expenditures, by increases in tax rates, or by any increase in rates of pay which occurs after the effective date of the order.

(f) FEDERAL HOUSING FINANCE BOARD.—Any sequestration of the Federal Housing Finance Board shall be accomplished by annual payments (by the end of each fiscal year) from that Board to the general fund of the Treasury, in proportion to the uniform sequestration percentage for that year times the gross obligations of the Board in that year.

(g) FEDERAL PAY.—(1) BASE FUND.—A new budget authority to pay Federal personnel from direct spending accounts shall be reduced by the uniform percentage calculated under section 11293(c)(2), as applicable, but no sequestration order shall have in effect any reduction in pay rates or the rate of pay, the rate of increase in pay rates, or any increase in rates of pay which is scheduled to take effect under section 5093 of title 5, United States Code, or any increase in rates of pay which a sequester affecting such programs may have the same meaning given that term in section 11106.

(2) DEFINITIONS.—For purposes of this subsection—

(A) the term "statutory pay system" shall have the meaning given that term in section 30204(b)(1) of title 5, United States Code;

(B) the term "uniformed services" shall have the same meaning given that term in section 3796(a)(11) of title 5, United States Code, section 1109 of title 38, United States Code, or any other provision of law.

(h) MEDICARE.—(1) TIMING OF APPLICATION OF REDUCTIONS.—(A) IN GENERAL.—Except as provided in subparagraph (B), if a reduction is made in payment amounts pursuant to sequestration order, the reduction shall be applied to payment amounts after basing the effective date of the order. For purposes of the previous sentence, in the case of inpatient services furnished for an individual, the services shall be furnished after basing the effective date of the individual's discharge from the inpatient facility.

(B) PAYMENT ON THE BASIS OF COST REPORTING PERIODS.—In the case of payments for services of a provider of services is made under title XVIII of the Social Security Act on a basis relating to the reasonable cost incurred at any time during each cost reporting period of the provider any part of which occurs after the effective date of order, but only for such cost reporting period in the same proportion as the fraction of the fiscal year in which the payment occurs is to the total fiscal year.

(2) NO INCREASE IN BENEFICIARY CHARGES IN ASSIGNMENT-RELATED CASES.—If a reduction in payment amounts is made pursuant to a sequestration order, the reduction shall be applied by the provider to the formula for which such charges are incurred at any time during each cost reporting period of the provider any part of which occurs after the effective date of the order.

(3) PART B PREMIUMS.—In computing the amount and method of sequestration from part B title XVIII of the Social Security Act—

(A) the amount of sequestration shall be calculated by multiplying the total amount by which Medicare spending exceeds the appropriate spending cap by a percentage that reflects the ratio of total spending under Part B to total Part B spending;

(B) sequestration in the Part B program shall be accomplished by increasing premiums to beneficiaries.

(i) NO EFFECT ON COMPUTATION OF AAPCC.—In computing the adjusted average per capita cost for purposes of section 1874(a)(4) of the Social Security Act, the Secretary of Health and Human Services shall not take into account any reductions in payment amounts which have been or may be effected under this Part.

(j) POSTAL SERVICE FUND.—Any sequestration of the Postal Service Fund shall be accomplished by annual payments from that Fund to the General Fund of the Treasury, and the Postmaster General of the United States shall reduce those payments during the first fiscal year to which the sequestration order applies and each succeeding fiscal year. The amount of each annual payment shall be—

(1) the uniform sequestration percentage, times

(2) the estimated gross obligations of the Postal Service Fund in that year other than those obligations financed with an appropriation for revenue earned that year.

Any such payment for a fiscal year shall be made as soon as possible during the fiscal year, except that it may be made in installments within that year if the payment schedule is approved by the Secretary of the Treasury. Annual payments by a fund may be financed by reductions in costs required to produce the pre-sequester amount of payments but those reductions shall not include reductions in the amount of power supplied by the fund, by reductions in capital expenditures, by increases in tax rates, or by any increase in rates of pay which occurs after the effective date of the order.

(k) BUSINESS-LIKE TRANSACTIONS.—Notwithstanding any other provision of law, for purposes of section 11106, adjusted to reflect revisions pursuant to subsection (c), any Federal payment for a fiscal year shall be made as soon as possible during the fiscal year, except that it may be made in installments within that year if the payment schedule is approved by the Secretary of the Treasury. Annual payments by a fund may be financed by reductions in costs required to produce the pre-sequester amount of payments but those reductions shall not include reductions in the amount of power supplied by the fund, by reductions in capital expenditures, by increases in tax rates, or by any increase in rates of pay which occurs after the effective date of the order.

(l) DETERMINATION OF THE BASELINE.—The baseline shall be established on the common economic assumptions set forth in section 11016, adjusted to reflect revisions pursuant to subsection (c) and as provided in the Budget of the United States Government for Fiscal Year 1974, the budget for fiscal year 1974, and all subsequent budgets for fiscal years thereafter. The baseline shall be adjusted to reflect revisions pursuant to subsection (c) and as provided in the Budget of the United States Government for Fiscal Year 1974.
Economic and Budget Update and when OMB submits its budget update, and by August 1 each year, when CBO and OMB submit their midyear reviews.

SEC. 11208. LIMITATIONS ON EMERGENCY SPENDING.

(a) IN GENERAL.—(1) Within the discretionary funds for each fiscal year contained in this Act, an amount shall be withheld from allocation to the appropriate committees of the House of Representatives and of the Senate and reserved for natural disasters and other emergency purposes.

(b) Such amount for each such fiscal year shall be the lesser of—(i) 1 percent of total budget authority and outlays available within those caps for that fiscal year.

(c) The amounts reserved pursuant to this subsection shall be made available for allocation to such committees only if—

(A) the President has made a request for such disaster funds;

(B) the programs to be funded are included for allocation to the appropriate committees of the House of Representatives and of the Senate; and

(C) the projected obligations for unforeseen emergency needs exceed the 18-year rolling average for existing programs for emergency purposes included in the Presidential request for the applicable fiscal year.

(d) Notwithstanding any other provision of law—

(A) States and localities shall be required to maintain effort and ensure that Federal assistance payments do not replace, subvert or otherwise have the effect of reducing regularly budgeted State and local expenditures for law enforcement, refighting, road construction and maintenance, building construction and any other category of regular government expenditure (to ensure that Federal disaster payments are made only for incremental costs directly attributable to such disaster and do not replace or reduce regular State and local expenditures for the same purposes);

(B) the President may not take administrative action to waive any requirement for States or localities to make minimum matching payments as a condition or receiving Federal disaster assistance and prohibit the taking of any administrative action to waive all or any part of any repayment of Federal loans for the State or local matching share required as a condition of receiving Federal disaster assistance, unless the waiver shall apply to all matching share requirements and loans to meet matching share requirements under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) and any amendment thereto which the President may declare a disaster or disasters and States and localities otherwise qualify for Federal disaster assistance;

(C) A two-thirds vote in each House of Congress shall be required for each emergency to reduce or waive the State matching requirement for part of loans for the State matching share as required under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), and any amendment pursuant to which the President may declare a disaster or disasters and States and localities otherwise qualify for Federal disaster assistance; and

(D) EFFECT BUDGET RESOLUTIONS.—(1) All concurrent resolutions on the budget (including revisions) shall specify the amount of new budget authority and outlays within the discretionary spending cap that shall be withheld from allocation to the committees and reserved for natural disasters, and a procedural amount for funds for allocation to the appropriate committee. The amount withheld shall be equal to 1 percent of the total discretionary spending cap for fiscal years 1998 and 1999, unless additional amounts are specified.

(2) The procedure for allocation of the amounts pursuant to paragraph (1) shall ensure that the funds are released for allocation only pursuant to the conditions contained in subsection (a)(3)(A) through (C).

(c) RESTRICTION ON USE OF FUNDS.—Notwithstanding any other provision of law, the amount reserved pursuant to subsection (a) shall not be available for other than emergency funding requirements for particular natural disasters or national security emergencies so designated by Acts of Congress.

(d) NEW POINT OF ORDER.—(1) Title IV of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end the following new section:

"POINT OF ORDER REGARDING EMERGENCIES. "SEC. 408. It shall not be in order in the House of Representatives or the Senate to consider any bill or joint resolution, or amendment thereto or conference report thereon, containing an emergency designation for purposes of section 251(b)(3)(D) or 252(c)(2) of the Balanced Budget and Impoundment Control Act of 1985 or of section 1207 of the Balanced Budget Assurance Act of 1997 if it also provides for an appropriation or direct spending for any other item or contains any other matter, that bill or joint resolution, amendment, or conference report may contain rescissions of budget authority or reductions of pending or unfunded Federal obligations, or that any amendment may reduce amounts for that emergency."

(2) The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 407 the following new item:

"Sec. 408. Point of order regarding emergencies."

"Mr. BROWN of Ohio (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

"Mr. STENHOLM. Mr. Speaker, I rise to a point of order that the amendment is germane to the bill.

"The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas [Mr. STENHOLM].

"Mr. STENHOLM. Mr. Speaker, the amendment is a prospective indirect change in a bill not yet rate bill on the floor by July 24. In so doing, it would then be coupled, assuming it passes, would be coupled with the reconciliation bill so that the final conference report would include, if the House chooses to include this in the final passage of the bill, would be voted upon."

My question, Mr. Speaker, if that is the case, how can it be out of order for us to consider this amendment today when it will be in order to consider it on July 24?

"The SPEAKER pro tempore. The Chair would respond by saying that he cannot make a determination as to what the legislative situation would be at some future date 3 weeks from now. Mr. STENHOLM. Continuing my question as to the point of order, if it is the parliamentary judgment today that this is not in order to be heard as a motion to recommit, under what circumstances could it be possible for us to consider this at a later date?

"The SPEAKER pro tempore. The Chair cannot anticipate what the Congressional Budget and Impoundment Control Act of 1974 might be. That is something that will be considered at a future date.

"Mr. STENHOLM. So the judgment of the Speaker is that today it is out of order but it might be in order at a later date.

"The SPEAKER pro tempore. The Chair is not going to engage in some sort of hypothetical consideration as to what might take place several weeks from now.

"Does the gentleman wish to be heard further on the point of order?

"Mr. STENHOLM. Mr. Speaker, I would say this is a very curious circumstance, but I hope the entire House is listening because this is a very important matter for a lot of us who are supporting this entire budget process. I would argue that the amendment as part of the recommit is held out of order and then have hope that perhaps in the future it will be in order. That bothers me, but I respect the Chair’s decision today.

"The SPEAKER pro tempore. Does the gentleman from Ohio [Mr. BROWN] wish to be heard on the point of order?

"Mr. BROWN of Ohio. We await the ruling of the Chair, Mr. Speaker.

"The SPEAKER pro tempore. The gentleman concedes the point of order. Mr. BROWN of Ohio. We await the ruling of the Chair, Mr. Speaker.

"The SPEAKER pro tempore. The gentleman from California makes a point of order that the amendment contained in the motion to recommit with this bill, or to be coupled with another bill not presently before the House, namely, the Revenue Reconciliation Act of 1997, contingent on achieving revenue targets in future fiscal years.

"As such, the amendment is a prospective indirect change in a bill not yet
considered by the House. The Chair holds that the amendment is thus not germane to the bill, H.R. 2015, and sustains the point of order.

MOTION TO RECOMMEDIT OFFERED BY MR. BROWN OF OHIO

Mr. Brown of Ohio. Mr. Speaker, I offer a motion to recommit.

THE SPEAKER pro tempore. Is the gentleman still opposed to the bill?

Mr. Brown of Ohio. Yes, Mr. Speaker, I am more so than when the Chair asked the last time.

THE SPEAKER pro tempore. The Clerk will report the motion.

The Clerk reads as follows:

Mr. Brown of Ohio moves to recommit the bill H.R. 2015 to the Committee on the Budget with instructions to report the same back to the House forthwith with the following amendment:

Strike subtitle F of title III and insert the following:

Subtitle F—Child Health Insurance Initiative Act of 1997

SEC. 3500. SHORT TITLE OF SUBTITLE.

This subtitle may be cited as the "Child Health Insurance Initiative Act of 1997".

CHAPTER 1—IMPROVED OUTREACH

SEC. 3501. GRANT PROGRAM TO PROMOTE OUTREACH EFFORTS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated, for each of the fiscal years beginning with fiscal year 1998 to the Secretary of Health and Human Services, $25,000,000 for grants to States, localities, and nonprofit entities to promote outreach to eligible children under the Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) and related programs.

(b) USE OF FUNDS.—Funds under this section may be used to reimburse States, localities, and nonprofit entities for additional training and administrative costs associated with outreach activities. Such activities include the following:

(i) USE OF A COMMON APPLICATION FORM FOR FEDERAL CHILD ASSISTANCE PROGRAMS.—Implementing use of a single application form (established and based on the model application forms developed under subsections (a) and (b) of section 6506 of the Omnibus Budget Reconciliation Act of 1989 (42 U.S.C. 1396m-3)) to determine the eligibility of a child or the child's family (as applicable) for assistance or benefits under the Medicaid program and under other Federal child assistance programs, such as the temporary assistance for needy families program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the food stamp program as defined in section 3(b) of the Food Stamp Act of 1977 (7 U.S.C. 1212(b)), and the State program for foster care maintenance payments and adoption assistance payments under part E of title IV of the Social Security Act (42 U.S.C. 670 et seq.).

(ii) EXPANDING OUTSTATIONING OF ELIGIBILITY PERSONNEL.—Providing for the stationing by the Secretary of such personnel as may be necessary to carry out the provisions of this section, including but not limited to personnel stationed at hospitals and health clinics, at which children receive health care or related services.

(c) APPLICATION, ETC.—Funding shall be made available under this section only upon the approval of an application by a State, locality, or nonprofit entity for such funding and only upon such terms and conditions as the Secretary may specify.

(d) ADMINISTRATION.—The Secretary may administer the grant program under this section through the identifiable administrative unit designated under section 301(a) of the Social Security Act (42 U.S.C. 701(a)) to promote coordination of Medicaid and maternal and child health related activities.

CHAPTER 2—MEDIKIDS PROGRAM

SEC. 3521. STATE ENTITLEMENT TO PAYMENT FOR MEDIKIDS PROGRAM.

(a) IN GENERAL.—Each State that has a plan for a child health insurance program, or Medikids program, approved by the Secretary of Health and Human Services pursuant to the Omnibus Budget Reconciliation Act of 1989 (42 U.S.C. 1396a(i)(2)(A)), the Omnibus Budget Reconciliation Act of 1990 (42 U.S.C. 1396a(i)(2)(A)), or the Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 1396a(i)(2)(A)), shall be entitled to pay, in addition to the amounts provided under section 3522, the State's share of the amount of the additional Federal expenditures under such plan for fiscal years beginning with fiscal year 1998, payment of the amounts provided under section 3523.

(b) APPLICATION.—The Secretary shall establish a procedure for the submittal and approval of plans for Medikids programs under this chapter. The Secretary shall approve the plan of a State for such a program if the Secretary determines that:

(i) the State is meeting the Medicaid coverage requirements of section 3522(a), and

(ii) the plan provides assurances satisfactory to the Secretary that the Medikids program will be conducted consistent with the applicable requirements of section 3522.

SEC. 3522. REQUIREMENTS FOR APPROVAL OF MEDIKIDS PROGRAM.

(a) ADEQUATE MEDICAID COVERAGE.—The Medicaid coverage requirements of this subsection are the following:

(i) COVERAGE OF PREGNANT WOMEN AND CHILDREN AND INFANTS UP TO 185 PERCENT OF POVERTY.—The State has established 185 percent of the poverty line as the applicable percentage in section 1902(l)(1)(A) of the Social Security Act (42 U.S.C. 1396a(i)(2)(A)).

(ii) COVERAGE OF CHILDREN UP TO 18 YEARS OF AGE.—The State provides, either through the exercise of the option under section 1902(r)(1)(D) of the Act (42 U.S.C. 1396a(i)(1)(D)) or authority under section 1902(r)(2) of such Act (42 U.S.C. 1396a(r)(2)) for coverage under section 1902(r)(1)(D) of such Act of children under 19 years of age, regardless of the need.

(iii) MAINTENANCE OF EFFORT.—

(A) MEDICAID.—Subject to subparagraph (B) of paragraph (2), the Secretary shall not modify the eligibility requirements for children under the State Medicaid plan, as in effect on January 1, 1997 in any manner that would have the effect of reducing the eligibility of children for coverage under such plan, and

(B) USE OF FUNDS.—The funds provided under this chapter to supplement and not supplant other Federal and State funds.

(iii) WAIVER EXCEPTION.—Subparagraph (A) shall not apply to modifications made pursuant to an application for a waiver under section 1115 of the Social Security Act (42 U.S.C. 1315) submitted before January 1, 1997.

(iv) COVERAGE OF UNINSURED CHILDREN.—

(A) IN GENERAL.—A Medikids program shall not be approved unless the Secretary finds that each child who is otherwise covered for such benefits under a Medicaid plan or under a group health plan, health insurance coverage, or other health benefit coverage or under a Medicaid plan or under a group health plan, health insurance coverage, or other health benefit coverage who is otherwise covered for such benefits under a Medikids plan of a State to provide coverage for all near poverty level children described in paragraph (1) who are resident in the State.

(B) MEDICAID-EQUIVALENT BENEFITS.—

(i) Subject to subparagraph (d), a Medikids program shall provide benefits to eligible children for the health care services for which medical assistance is available (other than cost sharing) to children under the State's Medicaid plan.

(iii) PREMIUMS AND COST-SHARING.—

(A) IN GENERAL.—Subject to paragraphs (2) and (3), a Medikids program may—

(1) require the payment of premiums as a condition for coverage, but only for a covered child whose family income exceeds the poverty line;

(2) impose deductibles, coinsurance, copayments, and other forms of cost-sharing with respect to benefits under the program; and

(3) vary the levels of premiums, deductibles, coinsurance, copayments, and other cost-sharing based on a sliding scale related to the family income of the covered child.

(B) LIMITS ON PREMIUMS AND COST-SHARING.—The Secretary shall establish limits on the amount of cost-sharing that a Medikids plan may require for premiums, deductibles, coinsurance, copayments, and any other required financial contribution) that may be applied under the program. Such limits shall assure that total cost sharing expenses for children participating in such program are reasonable in relation to the income of their family (and taking into account the types of expenses generally incurred by such families and family size) and that such cost sharing expenses do not unreasonably reduce access to the coverage or covered services provided under such a program.

(C) NO COST SHARING FOR PREVENTIVE SERVICES.—A Medikids program may not impose deductibles, coinsurance, copayments, or cost sharing for preventive services.

SEC. 3523. PAYMENT AMOUNTS.

(a) TOTAL AMOUNT AVAILABLE.—

(i) IN GENERAL.—The total amount of funds that is available for payments under this chapter in any fiscal year is the base amount specified in paragraph (2) for the fiscal year.

(ii) APPLICABLE PERCENTAGE.—The base amount specified in paragraph (2) for the fiscal year, for purposes of applying the previous sentence, any Federal expenditures that result from an increase in the applicable percentage under section 1902(l)(2)(A) of the Social Security Act above the percentage in effect as of June 25, 1997, or from any exercise of an option described in section 3522(a)(2) on or after such date, shall be treated as additional Federal expenditures attributable to the base amount described in section 3522(a)(2).

(b) BASE AMOUNT.—The base amount specified under this paragraph for fiscal year 1998 and any subsequent fiscal year is $805,000,000.

(c) OFFSET FOR CERTAIN INCREASED MEDICARE EXPENDITURES.—

(A) IN GENERAL.—Subject to subparagraph (B), the amount specified under this paragraph for a fiscal year is the amount of aggregate additional Federal expenditures under title XIX of the Social Security Act during the fiscal year that the Secretary determines to be aggregate Federal expenditures attributable to the base amount described in section 3522(a)(2) that is available for payments under this chapter in any fiscal year.

(B) APPLICABLE PERCENTAGE.—The base amount specified under this paragraph for fiscal year 1998 and any subsequent fiscal year is $805,000,000.

(d) ADJUSTMENT TO REFLECT ACTUAL EXPENDITURES.—After the end of each fiscal year, the Secretary shall adjust the base amount described in section 3523(a)(2) for subsequent years to take into account the amount by which the amounts estimated for previous fiscal years exceed the amounts actually paid for expenditures under this chapter and related programs for fiscal years beginning after fiscal year 1997.
June 25, 1997

CHAPTER 4—ASSURING CHILDREN’S ACCESS TO HEALTH INSURANCE

SEC. 3541. GUARANTEED AVAILABILITY OF INDIVIDUAL HEALTH INSURANCE COVERAGE TO ELIGIBLE CHILDREN.

(a) In General.—If subsection (a) of section 2744(a) of the Public Health Service Act, as added by section II(a)(1) of the Health Insurance Portability and Accountability Act of 1996, is amended by inserting after section 2741 the following new section:

(2) SPECIAL RULES FOR ACCEPTABLE ALTERNATIVE MECHANISM.—The requirement of paragraph (1) shall not apply to health insurance coverage offered in the individual market in a State, in the case of an eligible child, to the extent such coverage under such alternative mechanism includes a basic benefit package that is equivalent to the basic benefit package of a qualified health plan as defined in section 2744(b)(2) of the Public Health Service Act (as added by section II(a)(1) of the Health Insurance Portability and Accountability Act of 1996).

(b) ELIGIBLE CHILD DEFINED.—In this part, the term ‘eligible child’ means an individual who is (A) enrolled in a qualified health plan, (B) part A or part B of title XVIII of such Act, (C) a qualified beneficiary, or (D) a qualified beneficiary of a qualified health plan.

(c) CARRYFORWARD.—If the Secretary does not apply the requirement of section 2744(a)(1) of such Act to a State after the Secretary makes a determination under section 2744(b)(2) of such Act, the Secretary shall carry out the State’s MediKids program in the State for the fiscal year in which the determination is made.

(d) STATE ENTITLEMENT.—This chapter contains appropriations for the Federal Government to provide payment to states for the carryout of state MediKids programs.

SEC. 3529. DEFINITIONS.

For purposes of this section:

(1) the term ‘Medicaid’ means the joint Federal-State health care program established under title XVII of the Social Security Act; and

(2) the term ‘qualified health plan’ means an individual health insurance plan offered by an issuer of health insurance that is issued or offered by an issuer of health insurance in a State during a particular time period and that meets the requirements of section 2744(a)(2).

SEC. 3531. CONTINUATION OF MEDICAID ELIGIBILITY FOR DISABLED CHILDREN WHO LOSE SSI BENEFITS.

(a) In General.—Section 1902(a)(10)(A)(i)(II) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i)(II)) is amended by inserting after the date of enactment of section 1902(a)(10)(A)(i)(II) the following new subsection:

(4) (A) the requirement in subsection (a)(1)(B) shall be applied instead of the requirement of section 2744(a)(1)(B); and

(5) (A) the requirement in subsection (a)(1)(C) shall be applied instead of the requirement of section 2744(a)(1)(C); and

(6) (A) the requirement in subsection (a)(1)(D) shall be applied instead of the requirement of section 2744(a)(1)(D); and

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to medical assistance furnished on or after July 1, 1997.

The Republican plan, Mr. Speaker, will cost too much, waste too many taxpayer pennies, and require the issuance of affordable health insurance for our Nation’s 10 million uninsured children.

States would be free to divert Federal children’s health care expansion funds from directly providing health care coverage for uninsured children to Federal outlays for highway repairs and other related programs. I fear that States will use these funds to plug holes in shrinking State budgets. We surely should have learned our lesson.

I believe there are several superior programs to help extend coverage for uninsured children. Bipartisan legislation introduced by the gentlewoman from New Mexico [Ms. ROUKEMA], me, and others would provide children with a guaranteed, real health care benefits package which includes preventive care, hearing and vision services, and routine doctor visits.

The Democratic Caucus proposal, another plan which is part of this motion to recommit, would promote more effective outreach for Medicaid-eligible children who are not enrolled, allow for voluntary expansion of Medicaid coverage, and require the issuance of affordable, kids-only health insurance policies.

The Republican plan, Mr. Speaker, will cost too much, waste too many tax...
dollars, and fail to insure America’s 10 million uninsured children.

Mr. THOMAS. Mr. Speaker, I rise in opposition to the motion to recommit. Mr. Speaker, we heard all day, speaker after speaker on the other side of the aisle go into the well and say that the provisions that the Republicans had structured were outside the scope of the budget agreement, that we had not lived up to the budget agreement, that oh, my goodness, how could you live up to the budget agreement.

Mr. Speaker, in this motion to recommit, guess what, does not live up to the budget agreement. It clearly states in the budget agreement that there are two areas where money can be spent for children’s health care. One is in Medicaid. The other one is in block grants. Other possibilities are available if mutually agreeable. Mutually agreeable.

The fact of the matter is, this motion to recommit has mandatory language requiring private insurers to carry out the wish, yes, the demands of the Democrats. It is clearly beyond the budget agreement. How in the world can you folks spend all day telling us that provision after provision is unacceptable because it is outside the budget agreement and yet you offer a motion to recommit which is one, subject to a point of order, it is not germane, and, two, the entire rest of the context is outside of the budget agreement? Why do you not live up to what you preach?

I would simply tell my colleagues, the simple answer is to vote no on the motion to recommit.

Mr. Speaker, I yield to the gentleman from Virginia [Mr. BLILEY], chairman of the subcommittee who has the specific jurisdiction of this matter, which is outside the scope of the budget agreement.

Mr. BLILEY. Mr. Speaker, I thank the gentleman for yielding to me. Here we go again. All day, speaker after speaker on this side of the aisle complaining about their Governors getting cut with the DSH payments and not going to be able to meet the targets. Well, in the Committee on Commerce we gave $16 billion for kid care and we said to the Governors, you furnish the health and you furnish the services and we did not restrict it and they are made pretty much whole for their Medicaid budgets.

But what this recommit motion would do would require States to phase in all children up to age 19 in the Medicaid Program and require States to increase their mandatory levels of eligibility for certain eligibility groups. These are costly changes. Many States do not have the budgetary resources to do that. That means these States will not be eligible or able to participate in kid care and the uninsured children in those States would be denied the coverage and services they need. It would require States to provide only the Medicaid benefits packages to children served by kid care.

This package is so expensive that States would not be able to afford to cover millions of children who would otherwise receive coverage under our plan. It would eliminate the ability of States to provide uninsured children the health services they need. This is a violation of the budget agreement, as the distinguished chairman of the Subcommittee on Health of the Committee on Ways and Means pointed out, which provided for coverage and services to uninsured low-income children.

In the meantime, it would mean that services would be denied to the 2.6 million children that CBO estimates would receive health care services under our plan.

Mr. THOMAS. Mr. Speaker, I yield to the gentleman from Illinois [Mr. HASTERT].
Mr. HOSTETTLER. Mr. Speaker, I demand a recorded vote.

RECORDED VOTE

Mr. BONIOR. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—aye 270, noes 162, with 3 not voting. [Roll No. 241]
The Clerk announced the following pairs: on this vote:
Mr. Schiff for, with Mr. Yates against.
Messrs. GORDON, WELDON of Florida, and BARR of Georgia changed their vote from "no" to "aye."
So the bill was passed.
The result of the vote was announced as above recorded.
A motion to reconsider was laid on the table.

THANKING MEMBERS FOR A COURTEOUS AND DIGNIFIED DEBATE ON THE BILL JUST PASSED

(Mr. KASICH asked and was given permission to address the House for 1 minute.)

Mr. KASICH. Mr. Speaker, I just wanted to take a moment to thank the House Members on both sides of the aisle for the kind of courtesies and dignity with which we conducted that last 3 hours worth of debate, and I want to thank the House for the opportunity to move this bill forward.

I had the sense out here on the floor as we wrapped up the debate, Mr. Speaker, that while there may be differences, may be there is a little ice melting here in our ability to be able to get along, to have differences and yet still maintain a good spirit about things, and I think that is nothing but good for the future of this House.
AN ACT

To provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998.

1. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

This Act may be cited as the “Balanced Budget Act of 1997”.

SEC. 2. TABLE OF CONTENTS.

Title I—Committee on Agriculture.
Title II—Committee on Banking and Financial Services.
Title III—Committee on Commerce—Nonmedicare.
Title IV—Committee on Commerce—Medicare.
Title V—Committee on Education and the Workforce.
Title VI—Committee on Government Reform and Oversight.
Title VII—Committee on Transportation and Infrastructure.
Title VIII—Committee on Veterans’ Affairs.
Title IX—Committee on Ways and Means—Nonmedicare.
Title X—Committee on Ways and Means—Medicare.
Title XI—Budget Enforcement.

TITLE IV—COMMITTEE ON COMMERCE—MEDICARE

Subtitle D—Anti-Fraud and Abuse Provisions

SEC. 4308. PROVISION OF CERTAIN IDENTIFICATION NUMBERS.

(a) REQUIREMENTS TO DISCLOSE EMPLOYER IDENTIFICATION NUMBERS (EINS) AND SOCIAL SECURITY ACCOUNT NUMBERS (SSNs).—Section 1124(a)(1) (42 U.S.C. 1320a–3(a)(1)) is amended by inserting before the period at the end the following: “and supply the Secretary with the both the employer identification number (as-
Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing entity, each person with an ownership or control interest (as defined in subsection (a)(3)), and any subcontractor in which the entity directly or indirectly has a 5 percent or more ownership interest. Use of the social security account number under this section shall be limited to identity verification and identity matching purposes only. The social security account number shall not be disclosed to any person or entity other than the Secretary, the Social Security Administration, or the Secretary of the Treasury, In obtaining the social security account numbers of the disclosing entity and other persons described in this section, the Secretary shall comply with section 7 of the Privacy Act of 1974 (5 U.S.C. 552a note)

(b) OTHER MEDICARE PROVIDERS.—Section 1124A (42 U.S.C. 1320a–3a) is amended—

(1) in subsection (a)—

(A) by striking “and” at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting “; and”; and

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

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“(3) including the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing part B provider and any person, managing employee, or other entity identified or described under paragraph (1) or (2).”; and

(2) in subsection (c) by inserting “(or, for purposes of subsection (a)(3), any entity receiving payment)” after “on an assignment-related basis”.

(c) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION (SSA).—Section 1124A (42 U.S.C. 1320a–3a) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

“(c) VERIFICATION.—

“(1) TRANSMITTAL BY HHS.—The Secretary shall transmit—

“(A) to the Commissioner of Social Security information concerning each social security account number (assigned under section 205(c)(2)(B)), and
“(B) to the Secretary of the Treasury information concerning each employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986), supplied to the Secretary pursuant to subsection (a)(3) or section 1124(c) to the extent necessary for verification of such information in accordance with paragraph (2).

“(2) VERIFICATION.—The Commissioner of Social Security and the Secretary of the Treasury shall verify the accuracy of, or correct, the information supplied by the Secretary to such official pursuant to paragraph (1), and shall report such verifications or corrections to the Secretary.

“(3) FEES FOR VERIFICATION.—The Secretary shall reimburse the Commissioner and Secretary of the Treasury, at a rate negotiated between the Secretary and such official, for the costs incurred by such official in performing the verification and correction services described in this subsection.”.

(d) REPORT.—Before this subsection shall be effective, the Secretary of Health and Human Services shall submit to Congress a report on steps the Secretary has taken to assure the confidentiality of social security account numbers that will be provided to the Secretary
under the amendments made by this section. If Congress
determines that the Secretary has not taken adequate
steps to assure the confidentiality of social security ac-
count numbers to be provided to the Secretary under the
amendments made by this section, the amendments made
by this section shall not take effect.

(e) EFFECTIVE DATES.—Subject to subsection (d)—

(1) the amendment made by subsection (a)
shall apply to the application of conditions of partici-
pation, and entering into and renewal of contracts
and agreements, occurring more than 90 days after
the date of submission of the report under sub-
section (d); and

(2) the amendments made by subsection (b)
shall apply to payment for items and services fur-
nished more than 90 days after the date of submis-
sion of such report.
9 TITLE IX—COMMITTEE ON WAYS AND MEANS—NONMEDICARE

SEC. 9000. TABLE OF CONTENTS.

The table of contents of this title is as follows:

Sec. 9000. Table of contents.

Subtitle A—TANF Block Grant

Sec. 9001. Welfare-to-work grants.
Sec. 9002. Limitation on amount of Federal funds transferable to title XX programs.
Sec. 9003. Clarification of limitation on number of persons who may be treated as engaged in work by reason of participation in vocational educational training.
Sec. 9004. Rules governing expenditures of funds for work experience and community service programs.
Sec. 9005. State option to take account of certain work activities of recipients with sufficient participation in work experience or community service programs.
Sec. 9006. Worker protections.
Sec. 9007. Penalty for failure of State to reduce assistance for recipients refusing without good cause to work.

Subtitle B—Supplemental Security Income

Sec. 9101. Requirement to perform childhood disability redeterminations in missed cases.
Sec. 9102. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.
Sec. 9103. Fees for Federal administration of State supplementary payments.

Subtitle C—Child Support Enforcement
Sec. 9201. Clarification of authority to permit certain redisclosures of wage and claim information.

Subtitle D—Restricting Welfare and Public Benefits for Aliens

Sec. 9301. Extension of eligibility period for refugees and certain other qualified aliens from 5 to 7 years for SSI and medicaid.
Sec. 9302. SSI eligibility for aliens receiving SSI on August 22, 1996.
Sec. 9303. SSI eligibility for permanent resident aliens who are members of an Indian tribe.
Sec. 9304. Verification of eligibility for State and local public benefits.
Sec. 9305. Derivative eligibility for benefits.
Sec. 9306. Effective date.

Subtitle E—Unemployment Compensation

Sec. 9401. Clarifying provision relating to base periods.
Sec. 9402. Increase in Federal unemployment account ceiling.
Sec. 9403. Special distribution to States from Unemployment Trust Fund.
Sec. 9404. Interest-free advances to State accounts in Unemployment Trust Fund restricted to States which meet funding goals.
Sec. 9405. Exemption of service performed by election workers from the Federal unemployment tax.
Sec. 9406. Treatment of certain services performed by inmates.
Sec. 9407. Exemption of service performed for an elementary or secondary school operated primarily for religious purposes from the Federal unemployment tax.
Sec. 9408. State program integrity activities for unemployment compensation.

Subtitle F—Increase in Public Debt Limit

Sec. 9501. Increase in public debt limit.
Subtitle B—Supplemental Security Income

SEC. 9101. REQUIREMENT TO PERFORM CHILDHOOD DISABILITY REDETERMINATIONS IN MISSED CASES.

Section 211(d)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (110 Stat. 2190) is amended—

(1) in subparagraph (A)—

(A) in the 1st sentence, by striking "1 year" and inserting "18 months"; and

(B) by inserting after the 1st sentence the following: "Any redetermination required by the preceding sentence that is not performed before the end of the period described in the preceding sentence shall be performed as soon as is practicable thereafter."; and

(2) in subparagraph (C), by adding at the end the following: "Before commencing a redetermination under the 2nd sentence of subparagraph (A), in any case in which the individual involved has not already been notified of the provisions of this paragraph, the Commissioner of Social Security shall notify the individual involved of the provisions of this paragraph.".
SEC. 9102. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENTS APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS.

Section 1618 of the Social Security Act (42 U.S.C. 1382g) is repealed.

SEC. 9103. FEES FOR FEDERAL ADMINISTRATION OF STATE SUPPLEMENTARY PAYMENTS.

(a) Fee Schedule.—

(1) Optional State Supplementary Payments.—

(A) In General.—Section 1616(d)(2)(B) of the Social Security Act (42 U.S.C. 1382e(d)(2)(B)) is amended—

(i) by striking "and" at the end of clause (iii); and

(ii) by striking clause (iv) and inserting the following:

"(iv) for fiscal year 1997, $5.00;

(v) for fiscal year 1998, $6.20;

(vi) for fiscal year 1999, $7.60;

(vii) for fiscal year 2000, $7.80;

(viii) for fiscal year 2001, $8.10;

(ix) for fiscal year 2002, $8.50; and

(x) for fiscal year 2003 and each succeeding fiscal year—
“(I) the applicable rate in the preceding fiscal year, increased by the percentage, if any, by which the Consumer Price Index for the month of June of the calendar year of the increase exceeds the Consumer Price Index for the month of June of the calendar year preceding the calendar year of the increase, and rounded to the nearest whole cent; or

“(II) such different rate as the Commissioner determines is appropriate for the State.”.

(B) CONFORMING AMENDMENT.—Section 1616(d)(2)(C) of such Act (42 U.S.C. 1382e(d)(2)(C)) is amended by striking “(B)(iv)” and inserting “(B)(x)(II)”.

(2) MANDATORY STATE SUPPLEMENTARY PAYMENTS.—

(A) IN GENERAL.—Section 212(b)(3)(B)(ii) of Public Law 93–66 (42 U.S.C. 1382 note) is amended—

(i) by striking “and” at the end of subclause (III); and

(ii) by striking subclause (IV) and inserting the following:

“(IV) for fiscal year 1997, $5.00;

“(V) for fiscal year 1998, $6.20;
“(VI) for fiscal year 1999, $7.60;
“(VII) for fiscal year 2000, $7.80;
“(VIII) for fiscal year 2001, $8.10;
“(IX) for fiscal year 2002, $8.50; and
“(X) for fiscal year 2003 and each succeeding fiscal year—

“(aa) the applicable rate in the preceding fiscal year, increased by the percentage, if any, by which the Consumer Price Index for the month of June of the calendar year of the increase exceeds the Consumer Price Index for the month of June of the calendar year preceding the calendar year of the increase, and rounded to the nearest whole cent; or

“(bb) such different rate as the Commissioner determines is appropriate for the State.”

(B) CONFORMING AMENDMENT.—Section 212(b)(3)(B)(iii) of such Act (42 U.S.C. 1382 note) is amended by striking “(ii)(IV)” and inserting “(ii)(X)(bb)”.

(b) USE OF NEW FEES TO DEFRAY THE SOCIAL SECURITY ADMINISTRATION’S ADMINISTRATIVE EXPENSES.—

(1) CREDIT TO SPECIAL FUND FOR FISCAL YEAR 1998 AND SUBSEQUENT YEARS.—
(A) OPTIONAL STATE SUPPLEMENTARY PAYMENT FEES.—Section 1616(d)(4) of the Social Security Act (42 U.S.C. 1382e(d)(4)) is amended to read as follows:

“(4)(A) The first $5 of each administration fee assessed pursuant to paragraph (2), upon collection, shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.

“(B) That portion of each administration fee in excess of $5, and 100 percent of each additional services fee charged pursuant to paragraph (3), upon collection for fiscal year 1998 and each subsequent fiscal year, shall be credited to a special fund established in the Treasury of the United States for State supplementary payment fees. The amounts so credited, to the extent and in the amounts provided in advance in appropriations Acts, shall be available to defray expenses incurred in carrying out this title and related laws.”.

(B) MANDATORY STATE SUPPLEMENTARY PAYMENT FEES.—Section 212(b)(3)(D) of Public Law 93–66 (42 U.S.C. 1382 note) is amended to read as follows:

“(D)(i) The first $5 of each administration fee assessed pursuant to subparagraph (B), upon collection,
shall be deposited in the general fund of the Treasury of
the United States as miscellaneous receipts.

"(ii) The portion of each administration fee in excess
of $5, and 100 percent of each additional services fee
charged pursuant to subparagraph (C), upon collection for
fiscal year 1998 and each subsequent fiscal year, shall be
credited to a special fund established in the Treasury of
the United States for State supplementary payment fees.
The amounts so credited, to the extent and in the amounts
provided in advance in appropriations Acts, shall be avail-
able to defray expenses incurred in carrying out this sec-
tion and title XVI of the Social Security Act and related
laws.".

(2) LIMITATIONS ON AUTHORIZATION OF AP-
PROPRIATIONS.—From amounts credited pursuant
to section 1616(d)(4)(B) of the Social Security Act
and section 212(b)(3)(D)(ii) of Public Law 93–66 to
the special fund established in the Treasury of the
United States for State supplementary payment
fees, there is authorized to be appropriated an
amount not to exceed $35,000,000 for fiscal year
1998, and such sums as may be necessary for each
fiscal year thereafter.
Subtitle D—Restricting Welfare and Public Benefits for Aliens

SEC. 9301. EXTENSION OF ELIGIBILITY PERIOD FOR REFUGEES AND CERTAIN OTHER QUALIFIED ALIENS FROM 5 TO 7 YEARS FOR SSI AND MEDICAID.

(a) SSI.—Section 402(a)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A)) is amended to read as follows:

"(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

"(i) SSI.—With respect to the specified Federal program described in para-
graph (3)(A) paragraph 1 shall not apply to an alien until 7 years after the date—

"(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

"(II) an alien is granted asylum under section 208 of such Act; or

"(III) an alien's deportation is withheld under section 243(h) of such Act.

"(ii) FOOD STAMPS.—With respect to the specified Federal program described in paragraph (3)(B), paragraph 1 shall not apply to an alien until 5 years after the date—

"(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

"(II) an alien is granted asylum under section 208 of such Act; or

"(III) an alien's deportation is withheld under section 243(h) of such Act."
(b) MEDICAID.—Section 402(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)(A)) is amended to read as follows:

“(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

“(i) MEDICAID.—With respect to the designated Federal program described in paragraph (3)(C), paragraph 1 shall not apply to an alien until 7 years after the date—

“(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

“(II) an alien is granted asylum under section 208 of such Act; or

“(III) an alien’s deportation is withheld under section 243(h) of such Act.

“(ii) OTHER DESIGNATED FEDERAL PROGRAMS.—With respect to the designated Federal programs under paragraph (3) (other than subparagraph (C)), para-
graph 1 shall not apply to an alien until 5 years after the date—

“(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

“(II) an alien is granted asylum under section 208 of such Act; or

“(III) an alien’s deportation is withheld under section 243(h) of such Act.”.

SEC. 9302. SSI ELIGIBILITY FOR ALIENS RECEIVING SSI ON AUGUST 22, 1996.

(a) IN GENERAL.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding after subparagraph (D) the following new subparagraph:

“(E) ALIENS RECEIVING SSI ON AUGUST 22, 1996.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to an alien who was receiving such benefits on August 22, 1996.”.
(b) STATUS OF CUBAN AND HAITIAN ENTRANTS AND AMERASIAN PERMANENT RESIDENT ALIENS.—For purposes of section 402(a)(2)(E) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the following aliens shall be considered qualified aliens:

(1) An alien who is a Cuban and Haitian entrant as defined in section 501(e) of the Refugee Education Assistance Act of 1980.

(2) An alien admitted to the United States as an Amerasian immigrant pursuant to section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, as contained in section 101(e) of Public Law 100-202, (other than an alien admitted pursuant to section 584(b)(1)(C)).

(c) CONFORMING AMENDMENTS.—Section 402(a)(2)(D) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(D)) is amended—

(1) by striking clause (i);
(2) in the subparagraph heading by striking “BENEFITS” and inserting “FOOD STAMPS”;
(3) by striking “(ii) FOOD STAMPS’.—’;
(3) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii).
SEC. 9303. SSI ELIGIBILITY FOR PERMANENT RESIDENT ALIENS WHO ARE MEMBERS OF AN INDIAN TRIBE.

Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) (as amended by section 9302) is amended by adding after subparagraph (E) the following new subparagraph:

"(F) PERMANENT RESIDENT ALIENS WHO ARE MEMBERS OF AN INDIAN TRIBE.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to an alien who—

  "(i) is lawfully admitted for permanent residence under the Immigration and Nationality Act; and

  "(ii) is a member of an Indian tribe (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act).".

SEC. 9304. VERIFICATION OF ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS.

(a) IN GENERAL.—The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding after section 412 the following new section:
"SEC. 413. AUTHORIZATION FOR VERIFICATION OF ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS.

"A State or political subdivision of a State is authorized to require an applicant for State and local public benefits (as defined in section 411(c)) to provide proof of eligibility."

(b) CLERICAL AMENDMENT.—Section 2 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding after the item related to section 412 the following:

"Sec. 413. Authorization for verification of eligibility for state and local public benefits."

SEC. 9305. DERIVATIVE ELIGIBILITY FOR BENEFITS.

(a) IN GENERAL.—The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding after section 435 the following new section:

"SEC. 436. DERIVATIVE ELIGIBILITY FOR BENEFITS.

“(a) FOOD STAMPS.—Notwithstanding any other provision of law, an alien who under the provisions of this title is ineligible for benefits under the food stamp program (as defined in section 402(a)(3)(A)) shall not be eligible for such benefits because the alien receives benefits under the supplemental security income program (as defined in section 402(a)(3)(B))."
“(b) MEDICAI|D.—Notwithstanding any other provi-

sion of this title, an alien who under the provisions of this
title is ineligible for benefits under the medicaid program
(as defined in section 402(b)(3)(C)) shall be eligible for
such benefits if the alien is receiving benefits under the
supplemental security income program and title XIX of
the Social Security Act provides for such derivative eligi-

bility.”.

(b) Clerical Amendment.—Section 2 of the Per-

sonal Responsibility and Work Opportunity Reconciliation
Act of 1996 is amended by adding after the item related
to section 435 the following:

“Sec. 436. Derivative eligibility for benefits.”.

SEC. 9306. EFFECTIVE DATE.

Except as otherwise provided, the amendments made
by this subtitle shall be effective as if included in the en-
actment of title IV of the Personal Responsibility and
TITLE X—COMMITTEE ON WAYS
AND MEANS—MEDICARE

SEC. 10000. AMENDMENTS TO SOCIAL SECURITY ACT AND
REFERENCES TO OBRA; TABLE OF CONTENTS
OF TITLE.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.


(c) TABLE OF CONTENTS OF TITLE.—The table of contents of this title is as follows:

Sec. 10000. Amendments to Social Security Act and references to OBRA; table of contents of title.

Subtitle A—MedicarePlus Program
CHAPTER 1—MEDICAREPLUS PROGRAM

SUBCHAPTER A—MEDICAREPLUS PROGRAM

Sec. 10001. Establishment of MedicarePlus program.

"PART C—MEDICAREPLUS PROGRAM

"Sec. 1851. Eligibility, election, and enrollment.
"Sec. 1852. Benefits and beneficiary protections.
"Sec. 1853. Payments to MedicarePlus organizations.
"Sec. 1854. Premiums.
"Sec. 1855. Organizational and financial requirements for MedicarePlus organizations; provider-sponsored organizations.
"Sec. 1856. Establishment of standards.
"Sec. 1857. Contracts with MedicarePlus organizations.
"Sec. 1859. Definitions; miscellaneous provisions.
Sec. 10002. Transitional rules for current medicare HMO program.
Sec. 10003. Conforming changes in medigap program.

SUBCHAPTER B—SPECIAL RULES FOR MEDICAREPLUS MEDICAL SAVINGS ACCOUNTS

Sec. 10006. MedicarePlus MSA.

CHAPTER 2—INTEGRATED LONG-TERM CARE PROGRAMS

SUBCHAPTER A—PROGRAMS OF ALL-INCLUSIVE CARE FOR THE ELDERLY (PACE)

Sec. 10011. Coverage of PACE under the medicare program.
Sec. 10012. Establishment of PACE program as medicaid State option.
Sec. 10013. Effective date; transition.
Sec. 10014. Study and reports.

SUBCHAPTER B—SOCIAL HEALTH MAINTENANCE ORGANIZATIONS

Sec. 10015. Social health maintenance organizations (SHMOs).

SUBCHAPTER C—OTHER PROGRAMS

Sec. 10018. Orderly transition of municipal health service demonstration projects.
Sec. 10019. Extension of certain medicare community nursing organization demonstration projects.

CHAPTER 3—MEDICARE PAYMENT ADVISORY COMMISSION

Sec. 10021. Medicare Payment Advisory Commission.

CHAPTER 4—MEDIGAP PROTECTIONS

Sec. 10031. Medigap protections.
Sec. 10032. Medicare prepaid competitive pricing demonstration project.

CHAPTER 5—TAX TREATMENT OF HOSPITALS PARTICIPATING IN PROVIDER-SPONSORED ORGANIZATIONS

Sec. 10041. Tax treatment of hospitals which participate in provider-sponsored organizations.
Subtitle B—Prevention Initiatives

Sec. 10101. Screening mammography.
Sec. 10102. Screening pap smear and pelvic exams.
Sec. 10103. Prostate cancer screening tests.
Sec. 10104. Coverage of colorectal screening.
Sec. 10105. Diabetes screening tests.
Sec. 10106. Standardization of medicare coverage of bone mass measurements.
Sec. 10107. Vaccines outreach expansion.
Sec. 10108. Study on preventive benefits.

Subtitle C—Rural Initiatives

Sec. 10201. Rural primary care hospital program.
Sec. 10202. Prohibiting denial of request by rural referral centers for reclassification on basis of comparability of wages.
Sec. 10203. Hospital geographic reclassification permitted for purposes of disproportionate share payment adjustments.
Sec. 10204. Medicare-dependent, small rural hospital payment extension.
Sec. 10205. Geographic reclassification for certain disproportionately large hospitals.
Sec. 10206. Floor on area wage index.
Sec. 10207. Informatics, telemedicine, and education demonstration project.

Subtitle D—Anti-Fraud and Abuse Provisions

Sec. 10301. Permanent exclusion for those convicted of 3 health care related crimes.
Sec. 10302. Authority to refuse to enter into medicare agreements with individuals or entities convicted of felonies.
Sec. 10303. Inclusion of toll-free number to report medicare waste, fraud, and abuse in explanation of benefits forms.
Sec. 10304. Liability of medicare carriers and fiscal intermediaries for claims submitted by excluded providers.
Sec. 10305. Exclusion of entity controlled by family member of a sanctioned individual.
Sec. 10306. Imposition of civil money penalties.
Sec. 10307. Disclosure of information and surety bonds.
Sec. 10308. Provision of certain identification numbers.
Sec. 10309. Advisory opinions regarding certain physician self-referral provisions.
Sec. 10310. Other fraud and abuse related provisions.

Subtitle E—Prospective Payment Systems

CHAPTER 1—PAYMENT UNDER PART A

Sec. 10401. Prospective payment for skilled nursing facility services.
Sec. 10402. Prospective payment for inpatient rehabilitation hospital services.

CHAPTER 2—PAYMENT UNDER PART B

SUBCHAPTER A—PAYMENT FOR HOSPITAL OUTPATIENT DEPARTMENT SERVICES

Sec. 10411. Elimination of formula-driven overpayments (FDO) for certain outpatient hospital services.
Sec. 10412. Extension of reductions in payments for costs of hospital outpatient services.
Sec. 10413. Prospective payment system for hospital outpatient department services.

SUBCHAPTER B—REHABILITATION SERVICES

Sec. 10421. Rehabilitation agencies and services.
Sec. 10422. Comprehensive outpatient rehabilitation facilities (corf).

SUBCHAPTER C—AMBULANCE SERVICES

Sec. 10431. Payments for ambulance services.
Sec. 10432. Demonstration of coverage of ambulance services under medicare through contracts with units of local government.

CHAPTER 3—PAYMENT UNDER PARTS A AND B

Sec. 10441. Prospective payment for home health services.

Subtitle F—Provisions Relating to Part A

CHAPTER 1—PAYMENT OF PPS HOSPITALS

Sec. 10501. PPS hospital payment update.
Sec. 10502. Capital payments for PPS hospitals.
Sec. 10503. Freeze in disproportionate share.
Sec. 10504. Medicare capital asset sales price equal to book value.
Sec. 10505. Elimination of IME and DSH payments attributable to outlier payments.
Sec. 10506. Reduction in adjustment for indirect medical education.
Sec. 10507. Treatment of transfer cases.
Sec. 10508. Increase base payment rate to Puerto Rico hospitals.

CHAPTER 2—PAYMENT OF PPS EXEMPT HOSPITALS

Sec. 10511. Payment update.
Sec. 10512. Reductions to capital payments for certain PPS-exempt hospitals and units.
Sec. 10513. Cap on TEFRA limits.
Sec. 10514. Change in bonus and relief payments.
Sec. 10515. Change in payment and target amount for new providers.
Sec. 10516. Rebasing.
Sec. 10517. Treatment of certain long-term care hospitals.
Sec. 10518. Elimination of exemptions; report on exceptions and adjustments.

CHAPTER 3—PROVISIONS RELATED TO HOSPICE SERVICES

Sec. 10521. Payments for hospice services.
Sec. 10522. Payment for home hospice care based on location where care is furnished.
Sec. 10523. Hospice care benefits periods.
Sec. 10524. Other items and services included in hospice care.
Sec. 10525. Contracting with independent physicians or physician groups for hospice care services permitted.
Sec. 10526. Waiver of certain staffing requirements for hospice care programs in non-urbanized areas.
Sec. 10527. Limitation on liability of beneficiaries for certain hospice coverage denials.

Sec. 10528. Extending the period for physician certification of an individual's terminal illness.

Sec. 10529. Effective date.

CHAPTER 4—MODIFICATION OF PART A HOME HEALTH BENEFIT

Sec. 10531. Modification of part A home health benefit for individuals enrolled under part B.

CHAPTER 5—OTHER PAYMENT PROVISIONS

Sec. 10541. Reductions in payments for enrollee bad debt.

Sec. 10542. Permanent extension of hemophilia pass-through.

Sec. 10543. Reduction in part A medicare premium for certain public retirees.

Subtitle G—Provisions Relating to Part B Only

CHAPTER 1—PHYSICIANS’ SERVICES


Sec. 10602. Establishing update to conversion factor to match spending under sustainable growth rate.

Sec. 10603. Replacement of volume performance standard with sustainable growth rate.

Sec. 10604. Payment rules for anesthesia services.

Sec. 10605. Implementation of resource-based physician practice expense.

Sec. 10606. Dissemination of information on high per discharge relative values for in-hospital physicians’ services.

Sec. 10607. No X-ray required for chiropractic services.

Sec. 10608. Temporary coverage restoration for portable electrocardiogram transportation.

CHAPTER 2—OTHER PAYMENT PROVISIONS

Sec. 10611. Payments for durable medical equipment.

Sec. 10612. Oxygen and oxygen equipment.

Sec. 10613. Reduction in updates to payment amounts for clinical diagnostic laboratory tests.

Sec. 10614. Simplification in administration of laboratory tests.

Sec. 10615. Updates for ambulatory surgical services.

Sec. 10616. Reimbursement for drugs and biologicals.

Sec. 10617. Coverage of oral anti-nausea drugs under chemotherapeutic regimen.

Sec. 10618. Rural health clinic services.

Sec. 10619. Increased medicare reimbursement for nurse practitioners and clinical nurse specialists.

Sec. 10620. Increased medicare reimbursement for physician assistants.

Sec. 10621. Renal dialysis-related services.

CHAPTER 3—PART B PREMIUM

Sec. 10631. Part B premium.

Subtitle H—Provisions Relating to Parts A and B

CHAPTER 1—PROVISIONS RELATING TO MEDICARE SECONDARY PAYER
Sec. 10701. Permanent extension and revision of certain secondary payer provisions.
Sec. 10702. Clarification of time and filing limitations.
Sec. 10703. Permitting recovery against third party administrators.

CHAPTER 2—HOME HEALTH SERVICES

Sec. 10711. Recapturing savings resulting from temporary freeze on payment increases for home health services.
Sec. 10712. Interim payments for home health services.
Sec. 10713. Clarification of part-time or intermittent nursing care.
Sec. 10714. Study of definition of homebound.
Sec. 10715. Payment based on location where home health service is furnished.
Sec. 10716. Normative standards for home health claims denials,
Sec. 10717. No home health benefits based solely on drawing blood.

CHAPTER 3—BABY BOOM GENERATION MEDICARE COMMISSION

Sec. 10721. Bipartisan Commission on the Effect of the Baby Boom Generation on the Medicare Program.

CHAPTER 4—PROVISIONS RELATING TO DIRECT GRADUATE MEDICAL EDUCATION

Sec. 10731. Limitation on payment based on number of residents and implementation of rolling average FTE count.
Sec. 10732. Phased-in limitation on hospital overhead and supervisory physician component of direct medical education costs.
Sec. 10733. Permitting payment to non-hospital providers.
Sec. 10734. Incentive payments under plans for voluntary reduction in number of residents.
Sec. 10735. Demonstration project on use of consortia.
Sec. 10736. Recommendations on long-term payment policies regarding financing teaching hospitals and graduate medical education.
Sec. 10737. Medicare special reimbursement rule for certain combined residency programs.

CHAPTER 5—OTHER PROVISIONS

Sec. 10741. Centers of excellence.
Sec. 10742. Medicare part B special enrollment period and waiver of part B late enrollment penalty and medigap special open enrollment period for certain military retirees and dependents.
Sec. 10743. Protections under the medicare program for disabled workers who lose benefits under a group health plan.
Sec. 10744. Placement of advance directive in medical record.

Subtitle I—Medical Liability Reform

CHAPTER 1—GENERAL PROVISIONS

Sec. 10801. Federal reform of health care liability actions.
Sec. 10802. Definitions.
Sec. 10803. Effective date.

CHAPTER 2—UNIFORM STANDARDS FOR HEALTH CARE LIABILITY ACTIONS

Sec. 10811. Statute of limitations.
Subtitle D—Anti-Fraud and Abuse
Provisions

SEC. 10308. PROVISION OF CERTAIN IDENTIFICATION NUMBERS.

(a) Requirements to Disclose Employer Identification Numbers (EINS) and Social Security Account Numbers (SSNs).—Section 1124(a)(1) (42 U.S.C. 1320a–3(a)(1)) is amended by inserting before the period at the end the following: "and supply the Secretary with the both the employer identification number (assigned pursuant to section 6109 of the Internal Revenue
Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing entity, each person with an ownership or control interest (as defined in subsection (a)(3)), and any subcontractor in which the entity directly or indirectly has a 5 percent or more ownership interest”.

(b) OTHER MEDICARE PROVIDERS.—Section 1124A (42 U.S.C. 1320a–3a) is amended—

(1) in subsection (a)—

(A) by striking “and” at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting “; and”; and

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

“(3) including the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing part B provider and any person, managing employee, or other entity identified or described under paragraph (1) or (2).”; and

(2) in subsection (c) by inserting “(or, for purposes of subsection (a)(3), any entity receiving payment)” after “on an assignment-related basis”.

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(c) Verification by Social Security Administration (SSA).—Section 1124A (42 U.S.C. 1320a-3a) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c) Verification.—

“(1) Transmittal by HHS.—The Secretary shall transmit—

“(A) to the Commissioner of Social Security information concerning each social security account number (assigned under section 205(c)(2)(B)), and

“(B) to the Secretary of the Treasury information concerning each employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986), supplied to the Secretary pursuant to subsection (a)(3) or section 1124(c) to the extent necessary for verification of such information in accordance with paragraph (2).

“(2) Verification.—The Commissioner of Social Security and the Secretary of the Treasury shall verify the accuracy of, or correct, the information
supplied by the Secretary to such official pursuant to paragraph (1), and shall report such verifications or corrections to the Secretary.

"(3) FEES FOR VERIFICATION.—The Secretary shall reimburse the Commissioner and Secretary of the Treasury, at a rate negotiated between the Secretary and such official, for the costs incurred by such official in performing the verification and correction services described in this subsection."

(d) REPORT.—The Secretary of Health and Human Services shall submit to Congress a report on steps the Secretary has taken to assure the confidentiality of social security account numbers that will be provided to the Secretary under the amendments made by this section.

(e) EFFECTIVE DATES.—

(1) The amendment made by subsection (a) shall apply to the application of conditions of participation, and entering into and renewal of contracts and agreements, occurring more than 90 days after the date of submission of the report under subsection (d).

(2) The amendments made by subsection (b) shall apply to payment for items and services furnished more than 90 days after the date of submission of such report.
TITLE XI—BUDGET ENFORCEMENT

SEC. 11001. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Budget Enforcement Act of 1997”.

(b) Table of Contents.—
TITLE XI—BUDGET ENFORCEMENT

Sec. 11001. Short title; table of contents.

Subtitle A—Amendments to the Congressional Budget and Impoundment Control Act of 1974

Sec. 11101. Amendments to section 3.
Sec. 11102. Amendments to section 201.
Sec. 11103. Amendments to section 202.
Sec. 11104. Amendment to section 300.
Sec. 11105. Amendments to section 301.
Sec. 11106. Amendments to section 302.
Sec. 11107. Amendments to section 303.
Sec. 11108. Amendment to section 305.
Sec. 11109. Amendments to section 308.
Sec. 11110. Amendments to section 310.
Sec. 11111. Amendments to section 311.
Sec. 11112. Amendment to section 312.
Sec. 11113. Adjustments and Budget Committee determinations.
Sec. 11114. Effect of self-executing amendments on points of order in the House of Representatives.
Sec. 11115. Amendment of section 401 and repeal of section 402.
Sec. 11116. Repeal of title VI.
Sec. 11117. Amendments to section 904.
Sec. 11118. Repeal of sections 905 and 906.
Sec. 11119. Amendments to sections 1022 and 1024.
Sec. 11120. Amendment to section 1026.

Subtitle B—Amendments to the Balanced Budget and Emergency Deficit Control Act of 1985

Sec. 11201. Purpose.
Sec. 11202. General statement and definitions.
Sec. 11203. Enforcing discretionary spending limits.
Sec. 11204. Violent crime reduction trust fund.
Sec. 11205. Enforcing pay-as-you-go.
Sec. 11206. Reports and orders.
Sec. 11207. Exempt programs and activities.
Sec. 11208. General and special sequestration rules.
Sec. 11209. The baseline.
Sec. 11210. Technical correction.
Sec. 11211. Judicial review.
Sec. 11212. Effective date.
Sec. 11213. Reduction of preexisting balances and exclusion of effects of this Act from paygo scorecard.
Subtitle A—Amendments to the Congressional Budget and Impoundment Control Act of 1974

SEC. 11101. AMENDMENTS TO SECTION 3.

Section 3 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622) is amended—

(1) in paragraph (2)(A), by striking “and” at the end of clause (iii), by striking the period and inserting “; and” at the end of clause (iv), and by adding at the end the following:

“(v) entitlement authority and the food stamp program.”; and

(2) in paragraph (9), by inserting “, but such term does not include salary or basic pay funded through an appropriation Act” before the period.

SEC. 11102. AMENDMENTS TO SECTION 201.

(a) TERM OF OFFICE.—The first sentence of section 201(a)(3) of the Congressional Budget Act of 1974 is amended to read as follows: “The term of office of the Director shall be four years and shall expire on January 3 of the year preceding a Presidential election.”.

(b) REDSIGNATION OF EXECUTED PROVISION.—Section 201 of the Congressional Budget Act of 1974 is amended by redesignating subsection (g) (relating to revenue estimates) as subsection (f).
SEC. 11103. AMENDMENTS TO SECTION 202.

(a) ASSISTANCE TO BUDGET COMMITTEES.—The first sentence of section 202(a) of the Congressional Budget Act of 1974 is amended by inserting "primary" before "duty".

(b) ELIMINATION OF EXECUTED PROVISION.—Section 202 of the Congressional Budget Act of 1974 is amended by striking subsection (e) and by redesignating subsections (f), (g), and (h) as subsections (e), (f), and (g), respectively.

SEC. 11104. AMENDMENT TO SECTION 300.

The item relating to February 25 in the timetable set forth in section 300 of the Congressional Budget Act of 1974 is amended by striking "February 25" and inserting "Within 6 weeks after President submits budget".

SEC. 11105. AMENDMENTS TO SECTION 301.

(a) TERMS OF BUDGET RESOLUTIONS.—Section 301(a) of the Congressional Budget Act of 1974 is amended by striking "and planning levels for each of the two ensuing fiscal years," and inserting "and for at least each of the 4 ensuing fiscal years".

(b) CONTENTS OF BUDGET RESOLUTIONS.—Paragraphs (1) and (4) of section 301(a) of the Congressional Budget Act of 1974 are amended by striking "; budget outlays, direct loan obligations, and primary loan guaran-
(c) ADDITIONAL MATTERS.—Section 301(b) of the Congressional Budget Act of 1974 is amended by amending paragraph (7) to read as follows—

“(7) set forth pay-as-you-go procedures in the Senate whereby committee allocations, aggregates, and other levels can be revised for legislation within a committee’s jurisdiction if such legislation would not increase the deficit for the first year covered by the resolution and will not increase the deficit for the period of 5 fiscal years covered by the resolution;”.

(d) VIEWS AND ESTIMATES.—The first sentence of section 301(d) of the Congressional Budget Act of 1974 is amended by inserting “or at such time as may be requested by the Committee on the Budget,” after “Code,”.

(e) HEARINGS AND REPORT.—Section 301(e)(2) of the Congressional Budget Act of 1974 is amended by striking “total direct loan obligations, total primary loan guarantee commitments,”.

(f) SOCIAL SECURITY CORRECTIONS.—Section 301(i) of the Congressional Budget Act of 1974 is amended by—

(1) inserting “SOCIAL SECURITY POINT OF ORDER.—” after “(i)”; and
(2) striking "as reported to the Senate" and inserting "(or amendment, motion, or conference report on such a resolution)".

SEC. 11106. AMENDMENTS TO SECTION 302.

(a) ALLOCATIONS AND SUBALLOCATIONS.—Subsections (a) and (b) of section 302 of the Congressional Budget Act of 1974 are amended to read as follows:

"(a) COMMITTEE SPENDING ALLOCATIONS.—

"(1) ALLOCATION AMONG COMMITTEES.—The joint explanatory statement accompanying a conference report on a budget resolution shall include allocations, consistent with the resolution recommended in the conference report, of the appropriate levels (for each fiscal year covered by that resolution and a total for all such years, except in the case of the Committee on Appropriations only for the first such fiscal year) of—

"(A) total new budget authority;

"(B) total outlays; and

"(C) in the Senate, social security outlays; among each committee of the House of Representatives or the Senate that has jurisdiction over legislation providing or creating such amounts."
“(2) NO DOUBLE COUNTING.—In the House of Representatives, any item allocated to one committee may not be allocated to another such committee.

“(3) FURTHER DIVISION OF AMOUNTS.—In the House of Representatives, the amounts allocated to each committee for each fiscal year, other than the Committee on Appropriations, shall be further divided between amounts provided or required by law on the date of filing of that conference report and amounts not so provided or required. The amounts allocated to the Committee on Appropriations for each fiscal year shall be further divided between discretionary and mandatory amounts or programs, as appropriate.

“(4) AMOUNTS NOT ALLOCATED.—(A) In the House of Representatives, if a committee receives no allocation of new budget authority or outlays, that committee shall be deemed to have received an allocation equal to zero for new budget authority or outlays.

“(B) In the Senate, if a committee receives no allocation of new budget authority, outlays, or social security outlays, that committee shall be deemed to have received an allocation equal to zero for new budget authority, outlays, or social security outlays.
“(5) Social security levels in the Senate.—

“(A) In general.—For purposes of paragraph (1)(C), social security surpluses equal the excess of social security revenues over social security outlays in a fiscal year or years with such an excess and social security deficits equal the excess of social security outlays over social security revenues in a fiscal year or years with such an excess.

“(B) Tax treatment.—For purposes of paragraph (1)(C), no provision of any legislation involving a change in chapter 1 of the Internal Revenue Code of 1986 shall be treated as affecting the amount of social security revenues or outlays unless such provision changes the income tax treatment of social security benefits.

“(6) Adjusting allocation of discretionary spending in the House of Representatives.—(A) If a concurrent resolution on the budget is not adopted by April 15, the chairman of the Committee on the Budget of the House of Representatives shall submit to the House, as soon as practicable, an allocation under paragraph (1) to the Committee on Appropriations consistent with the
discretionary spending limits contained in the most recently agreed to concurrent resolution on the budget for the second fiscal year covered by that resolution.

"(B) As soon as practicable after an allocation under paragraph (1) is submitted under this section, the Committee on Appropriations shall make suballocations and promptly report those suballocations to the House of Representatives.

"(b) SUBALLOCATIONS BY APPROPRIATION COMMITTEES.—As soon as practicable after a concurrent resolution on the budget is agreed to, the Committee on Appropriations of each House (after consulting with the Committee on Appropriations of the other House) shall suballocate each amount allocated to it for the budget year under subsection (a) among its subcommittees. Each Committee on Appropriations shall promptly report to its House suballocations made or revised under this paragraph."

(b) POINT OF ORDER.—Section 302(c) of the Congressional Budget Act of 1974 is amended to read as follows:

"(c) POINT OF ORDER.—After the Committee on Appropriations has received an allocation pursuant to subsection (a) for a fiscal year, it shall not be in order in
the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report providing new budget authority for that fiscal year within the jurisdiction of that committee, until such committee makes the suballocations required by subsection (b).”.

(c) ENFORCEMENT OF POINT OF ORDER.—(1) Section 302(f)(1) of the Congressional Budget Act of 1974 is amended by—

(A) striking “providing new budget authority for such fiscal year or new entitlement authority effective during such fiscal year” and inserting “providing new budget authority for any fiscal year covered by the concurrent resolution”;

(B) striking “appropriate allocation made pursuant to subsection (b) for such fiscal year” and inserting “appropriate allocation made under subsection (a) or any suballocation made under subsection (b), as applicable, for the fiscal year of the concurrent resolution or for the total of all fiscal years covered by the concurrent resolution”; and

(C) striking “of new discretionary budget authority or new entitlement authority to be exceeded” and inserting “of new discretionary budget authority to be exceeded”.

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(2) Section 302(f)(2) of the Congressional Budget Act of 1974 is amended to read as follows:

"(2) ENFORCEMENT OF COMMITTEE ALLOCATIONS AND SUBALLOCATIONS IN THE SENATE.—

After a concurrent resolution on the budget is agreed to, it shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would cause—

"(A) in the case of any committee except the Committee on Appropriations, the appropriate allocation of new budget authority or outlays under subsection (a) to be exceeded; or

"(B) in the case of the Committee on Appropriations, the appropriate suballocation of new budget authority or outlays under subsection (b) to be exceeded."

(d) SEPARATE ALLOCATIONS.—Section 302(g) of the Congressional Budget Act of 1974 is amended to read as follows:

"(g) SEPARATE ALLOCATIONS.—The Committees on Appropriations and the Budget shall make separate allocations and suballocations under this section consistent with the categories in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985."
SEC. 11107. AMENDMENTS TO SECTION 303.

(a) IN GENERAL.—Section 303 of the Congressional Budget Act of 1974 is amended to read as follows:

"CONCURRENT RESOLUTION ON THE BUDGET MUST BE ADOPTED BEFORE LEGISLATION PROVIDING NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, OR CHANGES IN REVENUES OR THE PUBLIC DEBT LIMIT IS CONSIDERED

"Sec. 303. (a) IN GENERAL.—It shall not be in order in either the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report as reported to the House or Senate which provides—

"(1) new budget authority for a fiscal year;

"(2) an increase or decrease in revenues to become effective during a fiscal year;

"(3) an increase or decrease in the public debt limit to become effective during a fiscal year;

"(4) in the Senate only, new spending authority (as defined in section 401(c)(2)) for a fiscal year; or

"(5) in the Senate only, outlays, until the concurrent resolution on the budget for such fiscal year (or, in the Senate, a concurrent resolution on the budget covering such fiscal year) has been agreed to pursuant to section 301."
“(b) EXCEPTIONS.—(1) In the House of Representa-
tives, subsection (a) does not apply to any bill or resolu-
tion—

“(A) providing advance discretionary new budg-
et authority which first becomes available in a fiscal
year following the fiscal year to which the concur-
rent resolution applies; or

“(B) increasing or decreasing revenues which
first become effective in a fiscal year following the
fiscal year to which the concurrent resolution ap-
plies.

After May 15 of any calendar year, subsection (a) does
not apply in the House of Representatives to any general
appropriation bill, or amendment thereto, which provides
new budget authority for the fiscal year beginning in such
calendar year.

“(2) In the Senate, subsection (a) does not apply to
any bill or resolution making advance appropriations for
the fiscal year to which the concurrent resolution applies
and the two succeeding fiscal years.

(b) CONFORMING AMENDMENT.—The item relating
to section 303 in the table of contents set forth in section
1(b) of the Congressional Budget and Impoundment Con-
trol Act of 1974 is amended by striking “new credit au-
authority,”.”
Section 305(a)(1) of the Congressional Budget Act of 1974 is amended by inserting “when the House is not in session” after “holidays” each place it appears.

Section 308 of the Congressional Budget Act of 1974 is amended—

(1)(A) in the side heading of subsection (a), by striking “OR NEW CREDIT AUTHORITY,” and by striking the first comma and inserting “OR”;

(B) in paragraphs (1) and (2) of subsection (a), by striking “or new credit authority,” each place it appears and by striking the comma before “new spending authority” each place it appears and inserting “or”;

(2) in subsection (b)(1), by striking “or new credit authority,” and by striking the comma before “new spending authority” and inserting “or”;

(3) in subsection (c), by inserting “and” after the semicolon at the end of paragraph (3), by striking “; and” at the end of paragraph (4) and inserting a period; and by striking paragraph (5); and

(4) by inserting “joint” before “resolution” each place it appears and, in subsection (b)(1), by inserting “joint” before “resolutions”.
SEC. 11110. AMENDMENTS TO SECTION 310.

Section 310 of the Congressional Budget Act of 1974 is amended by—

(1) in subsection (a)(1), by inserting "and" after the semicolon at the end of subparagraph (B), by striking "subparagraphs (C) and (D), and by inserting after subparagraph (B) the following new subparagraph:

"(C) direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985),"; and

(2) in subsection (c)(1)(A), by inserting "of the absolute value" after "20 percent" each place it appears.

SEC. 11111. AMENDMENTS TO SECTION 311.

Section 311 of the Congressional Budget Act of 1974 is amended to read as follows:

"NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, AND REVENUE LEGISLATION MUST BE WITHIN APPROPRIATE LEVELS"

"Sec. 311. (a) Enforcement of Budget Aggregates.—"

"(1) In the House of Representatives.—"

Except as provided by subsection (c), after the Congress has completed action on a concurrent resolution on the budget for a fiscal year, it shall not be
in order in the House of Representatives to consider any bill, joint resolution, amendment, motion, or conference report providing new budget authority for such fiscal year or reducing revenues for such fiscal year, if—

"(A) the enactment of such bill or resolution as reported;

"(B) the adoption and enactment of such amendment; or

"(C) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the appropriate level of total new budget authority or total budget outlays set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year to be exceeded, or would cause revenues to be less than the appropriate level of total revenues set forth in such concurrent resolution such fiscal year or for the total of all fiscal years covered by the concurrent resolution, except in the case that a declaration of war by the Congress is in effect.

"(2) IN THE SENATE.—After a concurrent resolution on the budget is agreed to, it shall not be in
order in the Senate to consider any bill, resolution, amendment, motion, or conference report that—

"(A) would cause the appropriate level of total new budget authority or total outlays set forth for the first fiscal year in such resolution to be exceeded; or

"(B) would cause revenues to be less than the appropriate level of total revenues set forth for the first fiscal year covered by such resolution or for the period including the first fiscal year plus the following 4 fiscal years in such resolution.

"(3) ENFORCEMENT OF SOCIAL SECURITY LEVELS IN THE SENATE.—After a concurrent resolution on the budget is agreed to, it shall not be in order in the Senate to consider any bill, resolution, amendment, motion, or conference report that would cause a decrease in social security surpluses or an increase in social security deficits derived from the levels of social security revenues and social security outlays set forth for the first fiscal year covered by the resolution and for the period including the first fiscal year plus the following 4 fiscal years in such resolution.

"(b) SOCIAL SECURITY LEVELS.—
“(1) IN GENERAL.—For the purposes of subsection (a)(3), social security surpluses equal the excess of social security revenues over social security outlays in a fiscal year or years with such an excess and social security deficits equal the excess of social security outlays over social security revenues in a fiscal year or years with such an excess.

“(2) TAX TREATMENT.—For the purposes of this section, no provision of any legislation involving a change in chapter 1 of the Internal Revenue Code of 1986 shall be treated as affecting the amount of social security revenues or outlays unless such provision changes the income tax treatment of social security benefits.

“(c) EXCEPTION IN THE HOUSE OF REPRESENTATIVES.—Subsection (a)(1) shall not apply in the House of Representatives to any bill, resolution, or amendment that provides new budget authority for a fiscal year or to any conference report on any such bill or resolution, if—

“(1) the enactment of such bill or resolution as reported;

“(2) the adoption and enactment of such amendment; or
“(3) the enactment of such bill or resolution in the form recommended in such conference report; would not cause the appropriate allocation of new budget authority made pursuant to section 302(a) for such fiscal year, for the committee within whose jurisdiction such bill, resolution, or amendment falls, to be exceeded.”.

SEC. 11112. AMENDMENT TO SECTION 312.

(a) IN GENERAL.—Section 312 of the Congressional Budget Act of 1974 is amended to read as follows:

“POINTS OF ORDER

“SEC. 312. (a) BUDGET COMMITTEE DETERMINATIONS.—For purposes of this title and title IV, the levels of new budget authority, budget outlays, spending authority as described in section 401(c)(2), direct spending, new entitlement authority, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or the Senate, as the case may be.

“(b) DISCRETIONARY SPENDING POINT OF ORDER IN THE SENATE.—

“(1) Except as otherwise provided in this subsection, it shall not be in order in the Senate to consider any concurrent resolution on the budget (or amendment, motion, or conference report on such a resolution) that would exceed any of the discretionary spending limits in section 251(c) of the Bal-

"(2) This subsection shall not apply if a declaration of war by the Congress is in effect or if a joint resolution pursuant to section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985 has been enacted.

"(c) MAXIMUM DEFICIT AMOUNT POINT OF ORDER IN THE SENATE.—It shall not be in order in the Senate to consider any concurrent resolution on the budget for a fiscal year under section 301, or to consider any amendment to that concurrent resolution, or to consider a conference report on that concurrent resolution—

"(1) if the level of total budget outlays for the first fiscal year that is set forth in that concurrent resolution or conference report exceeds the recommended level of Federal revenues set forth for that year by an amount that is greater than the maximum deficit amount, if any, specified in the Balanced Budget and Emergency Deficit Control Act of 1985 for such fiscal year; or

"(2) if the adoption of such amendment would result in a level of total budget outlays for that fiscal year which exceeds the recommended level of Federal revenues for that fiscal year, by an amount that
is greater than the maximum deficit amount, if any, specified in the Balanced Budget and Emergency Deficit Control Act of 1985 for such fiscal year.

“(d) TIMING OF POINTS OF ORDER IN THE SENATE.—A point of order under this Act may not be raised against a bill, resolution, amendment, motion, or conference report while an amendment or motion, the adoption of which would remedy the violation of this Act, is pending before the Senate.

“(e) POINTS OF ORDER IN THE SENATE AGAINST AMENDMENTS BETWEEN THE HOUSES.—Each provision of this Act that establishes a point of order against an amendment also establishes a point of order in the Senate against an amendment between the Houses. If a point of order under this Act is raised in the Senate against an amendment between the Houses, and the Presiding Officer sustains the point of order, the effect shall be the same as if the Senate had disagreed to the amendment.

“(f) EFFECT OF A POINT OF ORDER ON A BILL IN THE SENATE.—In the Senate, if the Chair sustains a point of order under this Act against a bill, the Chair shall then send the bill to the committee of appropriate jurisdiction for further consideration.”.

(b) CONFORMING AMENDMENT.—The item relating to section 312 in the table of contents set forth in section
1 (b) of the Congressional Budget and Impoundment Con-
trol Act of 1974 is amended by striking "Effect of point"
and inserting "Point".

SEC. 11113. ADJUSTMENTS AND BUDGET COMMITTEE DE-
TERMINATIONS.

(a) In General.—Title III of the Congressional
Budget Act of 1974 is amended by adding at the end the
following new section:

"ADJUSTMENTS

"Sec. 314. (a) Adjustments.—When—

"(1)(A) the Committee on Appropriations re-
ports an appropriation measure for fiscal year 1998,
1999, 2000, 2001, or 2002 that specifies an amount
for emergencies pursuant to section 251(b)(2)(A) of
the Balanced Budget and Emergency Deficit Control
Act of 1985 or for continuing disability reviews pur-
suant to section 251(b)(2)(C) of that Act;

"(B) any other committee reports emergency
legislation described in section 252(e) of that Act;

"(C) the Committee on Appropriations reports
an appropriation measure for fiscal year 1998, 1999,
2000, 2001, or 2002 that includes an appropriation
with respect to clause (i) or (ii), the adjustment
shall be the amount of budget authority in the meas-
ure that is the dollar equivalent, in terms of Special
Drawing Rights, of—
“(i) increases the United States quota as part of the International Monetary Fund Eleventh General Review of Quotas (United States Quota); or

“(ii) increases the maximum amount available to the Secretary of the Treasury pursuant to section 17 of the Bretton Woods Agreement Act, as amended from time to time (New Arrangements to Borrow); or

“(D) the Committee on Appropriations reports an appropriation measure for fiscal year 1998, 1999, or 2000 that includes an appropriation for arrearages for international organizations, international peacekeeping, and multilateral development banks during that fiscal year, and the sum of the appropriations for the period of fiscal years 1998 through 2000 do not exceed $1,884,000,000 in budget authority; or

“(2) a conference committee submits a conference report thereon;

the chairman of the Committee on the Budget of the Senate or House of Representatives shall make the adjustments referred to in subsection (c) to reflect the additional new budget authority for such matter provided in that measure or conference report and the additional outlays
flowing in all fiscal years from such amounts for such matter.

"(b) Application of Adjustments.—The adjustments and revisions to allocations, aggregates, and limits made by the Chairman of the Committee on the Budget pursuant to subsection (a) for legislation shall only apply while such legislation is under consideration and shall only permanently take effect upon the enactment of that legislation.

"(c) Content of Adjustments.—The adjustments referred to in subsection (a) shall consist of adjustments, as appropriate, to—

"(1) the discretionary spending limits as set forth in the most recently agreed to concurrent resolution on the budget;

"(2) the allocations made pursuant to the most recently adopted concurrent resolution on the budget pursuant to section 302(a); and

"(3) the budgetary aggregates as set forth in the most recently adopted concurrent resolution on the budget.

"(d) Reporting Revised Suballocations.—Following the adjustments made under subsection (a), the Committees on Appropriations of the Senate and the House of Representatives may report appropriately revised
suballocations pursuant to section 302(b) to carry out this subsection.

"(e) DEFINITIONS.—As used in subsection (a)(1)(A), when referring to continuing disability reviews, the terms ‘continuing disability reviews’, ‘additional new budget authority’, and ‘additional outlays’ shall have the same meanings as provided in section 251(b)(2)(C)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.”.

(b) CONFORMING AMENDMENTS.—(1) Sections 302(g), 311(c), and 313(e) of the Congressional Budget Act of 1974 are repealed.

(2) The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding after the item relating to section 313 the following new item:

"Sec. 314. Adjustments.”.

SEC. 11114. EFFECT OF SELF-EXECUTING AMENDMENTS ON POINTS OF ORDER IN THE HOUSE OF REPRESENTATIVES.

(a) EFFECT OF POINTS OF ORDER.—Title III of the Congressional Budget Act of 1974 is amended by adding after section 314 the following new section:
“EFFECT OF SELF-EXECUTING AMENDMENTS ON POINTS OF ORDER IN THE HOUSE OF REPRESENTATIVES

"Sec. 315. In the House of Representatives, if a provision of a bill, as reported, violates a section of this title or title IV and a self-executing rule providing for consideration of that bill modifies that provision to eliminate such violation, then such point of order shall not lie against consideration of that bill.”

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding after the item relating to section 314 the following new item:

"Sec. 315. Effect of self-executing amendments on points of order in the house of representatives.”

SEC. 11115. AMENDMENT OF SECTION 401 AND REPEAL OF SECTION 402.

(a) SECTION 401.—Subsections (a) and (b) of section 401 of the Congressional Budget Act of 1974 are amended to read as follows:

"BILLs PROVIDING NEW SPENDING AUTHORITY OR NEW CREDIT AUTHORITY

"Sec. 401. (a) CONTROLS ON LEGISLATION PROVIDING SPENDING AUTHORITY OR CREDIT AUTHORITY.—It shall not be in order in either the House of Representatives or the Senate to consider any bill, joint resolution,
amendment, motion, or conference report, as reported to its House which provides new spending authority described in subsection (c)(2)(A) or (B) or new credit authority, unless that bill, resolution, conference report, or amendment also provides that such new spending authority as described in subsection (c)(2)(A) or (B) or new credit authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

"(b) Legislation Providing Entitlement Authority.—It shall not be in order in either the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report, as reported to its House which provides new spending authority described in subsection (c)(2)(C) which is to become effective before the first day of the fiscal year which begins during the calendar year in which such bill or resolution is reported.".

(b) Repealer of Section 402.—(1) Section 402 of the Congressional Budget Act of 1974 is repealed.

(2) Conforming Amendments.—(1) Sections 403 through 407 of the Congressional Budget Act of 1974 are redesignated as sections 402 through 406, respectively.

(2) The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment
Control Act of 1974 is amended by deleting the item relating to section 402 and by redesignating the items relating to sections 403 through 407 as the items relating to sections 402 through 406, respectively.

SEC. 11116. REPEAL OF TITLE VI.

(a) REPEALER.—Title VI of the Congressional Budget Act of 1974 is repealed.

(b) CONFORMING AMENDMENTS.—The items relating to title VI of the table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 are repealed.

SEC. 11117. AMENDMENTS TO SECTION 904.

(a) CONFORMING AMENDMENT.—Section 904(a) of the Congressional Budget Act of 1974 is amended by striking “(except section 905)” and by striking “V, and VI (except section 601(a))” and inserting “and V”.

(b) WAIVERS.—Section 904(c) of the Congressional Budget Act of 1974 is amended to read as follows:

“(c) WAIVERS.—

“(1) Sections 305(b)(2), 305(c)(4), 306, 310(d)(2), 313, 904(c), and 904(d) of this Act may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.
“(2) Sections 301(i), 302(c), 302(f), 310(g), 311(a), and 315 of this Act and sections 258(a)(4)(C), 258(A)(b)(3)(C)(I), 258(B)(f)(1), 258B(h)(1), 258(h)(3), 258C(a)(5), and 258(C)(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.”.

(c) APPEALS.—Section 904(d) of the Congressional Budget Act of 1974 is amended to read as follows:

“(d) APPEALS.—

“(1) Appeals in the Senate from the decisions of the Chair relating to any provision of title III or IV of section 1017 shall, except as otherwise provided therein, be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, concurrent resolution, reconciliation bill, or rescission bill, as the case may be.

“(2) An affirmative vote of three-fifths of the Members, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under sections
305(b)(2), 305(c)(4), 306, 310(d)(2), 313, 904(c), and 904(d) of this Act.

“(3) An affirmative vote of three-fifths of the Members, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under sections 301(i), 302(c), 302(f), 310(g), 311(a), and 315 of this Act and sections 258(a)(4)(C), 258(A)(b)(3)(C)(I), 258(B)(f)(1), 258B(h)(1), 258(h)(3), 258C(a)(5), and 258(C)(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985.”.

(d) Expiration of Supermajority Voting Requirements.—Section 904 of the Congressional Budget Act of 1974 is amended by adding at the end the following:

“(e) Expiration of Certain Supermajority Voting Requirements.—Subsections (c)(2) and (d)(3) shall expire on September 30, 2002.”.

SEC. 11118. REPEAL OF SECTIONS 905 AND 906.

(a) Repealer.—Sections 905 and 906 of the Congressional Budget and Impoundment Control Act of 1974 are repealed.

(b) Conforming Amendments.—The table of contents set forth in section 1(b) of the Congressional Budget
and Impoundment Control Act of 1974 is amended by striking the items relating to sections 905 and 906.

SEC. 11119. AMENDMENTS TO SECTIONS 1022 AND 1024.

(a) SECTION 1022.—Section 1022(b)(1)(F) of Congressional Budget and Impoundment Control Act of 1974 is amended by striking “section 601” and inserting “section 251(c) the Balanced Budget and Emergency Deficit Control Act of 1985”.

(b) SECTION 1024.—Section 1024(a)(1)(B) of Congressional Budget and Impoundment Control Act of 1974 is amended by striking “section 601(a)(2)” and inserting “section 251(c) the Balanced Budget and Emergency Deficit Control Act of 1985”.

SEC. 11120. AMENDMENT TO SECTION 1026.

Section 1026(7)(A)(iv) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking “and” and inserting “or”.

Subtitle B—Amendments to the Balanced Budget and Emergency Deficit Control Act of 1985

SEC. 11201. PURPOSE.

This subtitle extends discretionary spending limits and pay-as-you-go requirements.
SEC. 11202. GENERAL STATEMENT AND DEFINITIONS.

(a) GENERAL STATEMENT.—Section 250(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(b)) is amended by striking the first two sentences and inserting the following: "This part provides for the enforcement of a balanced budget by fiscal year 2002 as called for in House Concurrent Resolution 84 (105th Congress, 1st session)."

(b) DEFINITIONS.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking paragraph (4) and inserting the following:

"(4) The term 'category' means defense, non-defense, and violent crime reduction discretionary appropriations as specified in the joint explanatory statement accompanying a conference report on the Balanced Budget Act of 1997."

(2) by striking paragraph (6) and inserting the following:

"(6) The term 'budgetary resources' means new budget authority, unobligated balances, direct spending authority, and obligation limitations."

(3) in paragraph (9), by striking "submission of the fiscal year 1992 budget that are not included..."
with a budget submission” and inserting “that budget submission that are not included with it”;

(4) in paragraph (14), by inserting “first 4” before “fiscal years” and by striking “1995” and inserting “2006”;

(5) by striking paragraphs (17) and (20) and by redesignating paragraphs (18), (19), and (21) as paragraphs (17), (18), and (19), respectively;

(6) in paragraph (17) (as redesignated), by striking “Omnibus Budget Reconciliation Act of 1990” and inserting “Balanced Budget Act of 1997”;

(7) in paragraph (20) (as redesignated), by striking the second sentence; and

(8) by adding at the end the following new paragraph:

“(20) The term ‘consultation’, when applied to the Committee on the Budget of either the House of Representatives or of the Senate, means written communication with that committee that affords that committee an opportunity to comment on the matter that is the subject of the consultation before official action is taken on such matter.”.
SEC. 11203. ENFORCING DISCRETIONARY SPENDING LIMITS.

(a) EXTENSION THROUGH FISCAL YEAR 2002.—Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—


(2) in subsection (a)(7) by inserting "(excluding Saturdays, Sundays, or legal holidays)" after "5 calendar days";


(4) in subsection (b)(1), by striking "the following:" and all that follows through "in concepts and definitions" the first place it appears and inserting "the following: the adjustments" and by striking subparagraphs (B) and (C);

(5) in subsection (b)(2), by striking "1991, 1992, 1993, 1994, 1995, 1996, 1997, or 1998" and inserting "1997 or any fiscal year thereafter through 2002", by striking "through 1998" and inserting "through 2002", and by striking subparagraphs (A), (B), (C), (E), and (G), and by redesignating sub-
paragraphs (D), (F), and (H) as subparagraphs (A), (B), and (C), respectively;

(6) in subsection (b)(2)(A) (as redesignated), by striking “(i)”, by striking clause (ii), and by inserting “fiscal” before “years”;

(7) in subsection (b)(2)(B) (as redesignated), by striking everything after “the adjustment in outlays” and inserting “for a fiscal year is the amount of the excess but not to exceed 0.5 percent of the adjusted discretionary spending limit on outlays for that fiscal year in fiscal year 1997 or any fiscal year thereafter through 2002; and

(8) by adding at the end of subsection (b)(2) the following new subparagraphs:

“(D) ALLOWANCE FOR IMF.—If an appropriations bill or joint resolution is enacted for fiscal year 1998, 1999, 2000, 2001, or 2002 that includes an appropriation with respect to clause (i) or (ii), the adjustment shall be the amount of budget authority in the measure that is the dollar equivalent, in terms of Special Drawing Rights, of—

“(i) an increase in the United States quota as part of the International Mone-
tary Fund Eleventh General Review of Quotas (United States Quota); or

"(ii) any increase in the maximum amount available to the Secretary of the Treasury pursuant to section 17 of the Bretton Woods Agreement Act, as amended from time to time (New Arrangements to Borrow).

"(E) ALLOWANCE FOR INTERNATIONAL ARREARAGES.—

"(i) ADJUSTMENTS.—If an appropriations bill or joint resolution is enacted for fiscal year 1998, 1999, or 2000 that includes an appropriation for arrearages for international organizations, international peacekeeping, and multilateral banks for that fiscal year, the adjustment shall be the amount of budget authority in such measure and the outlays flowing in all fiscal years from such budget authority.

"(ii) LIMITATIONS.—The total amount of adjustments made pursuant to this subparagraph for the period of fiscal years 1998 through 2000 shall not exceed $1,884,000,000 in budget authority.".
(b) SHIFTING OF DISCRETIONARY SPENDING LIMITS INTO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.—Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new subsection:

"(c) DISCRETIONARY SPENDING LIMIT.—As used in this part, the term ‘discretionary spending limit’ means—

“(1) with respect to fiscal year 1997, for the discretionary category, the current adjusted amount of new budget authority and outlays;

“(2) with respect to fiscal year 1998—

“(A) for the defense category: $269,000,000,000 in new budget authority and $266,823,000,000 in outlays;

“(B) for the nondefense category: $252,357,000,000 in new budget authority and $282,853,000,000 in outlays; and

“(C) for the violent crime reduction category: $5,500,000,000 in new budget authority and $3,592,000,000 in outlays;

“(3) with respect to fiscal year 1999—

“(A) for the defense category: $271,500,000,000 in new budget authority and $266,518,000,000 in outlays; and
“(B) for the nondefense category:

$261,499,000,000 in new budget authority and
$292,803,000,000 in outlays;

“(4) with respect to fiscal year 2000, for the
discretionary category: $537,193,000,000 in new
budget authority and $564,265,000,000 in outlays;

“(5) with respect to fiscal year 2001, for the
discretionary category: $542,032,000,000 in new
budget authority and $564,396,000,000 in outlays;

and

“(6) with respect to fiscal year 2002, for the
discretionary category: $551,074,000,000 in new
budget authority and $560,799,000,000 in outlays;

as adjusted in strict conformance with subsection (b).”.

SEC. 11204. VIOLENT CRIME REDUCTION TRUST FUND.

(a) SEQUESTRATION REGARDING VIOLENT CRIME
REDUCTION TRUST FUND.—Section 251A of the Bal-
anced Budget and Emergency Deficit Control Act of 1985
is repealed.

(b) CONFORMING AMENDMENT.—Section 310002 of
Public Law 103–322 (42 U.S.C. 14212) is repealed.

SEC. 11205. ENFORCING PAY-AS-YOU-GO.

(a) EXTENSION.—Section 252 (2 U.S.C. 902) is
amended—
(1) by striking subsections (a) and (b) and inserting the following:

"(a) PURPOSE.—The purpose of this section is to assure that any legislation enacted prior to September 30, 2002, affecting direct spending or receipts that increases the deficit will trigger an offsetting sequestration.

"(b) SEQUESTRATION.—

"(1) TIMING.—Within 15 calendar days after Congress adjourns to end a session and on the same day as a sequestration (if any) under sections 251 and 253, there shall be a sequestration to offset the amount of any net deficit increase in the budget year caused by all direct spending and receipts legislation (after adjusting for any prior sequestration as provided by paragraph (2)) plus any net deficit increase in the prior fiscal year caused by all direct spending and receipts legislation not reflected in the final OMB sequestration report for that year.

"(2) CALCULATION OF DEFICIT INCREASE.— OMB shall calculate the amount of deficit increase, if any, in the budget year by adding—

"(A) all applicable estimates of direct spending and receipts legislation transmitted under subsection (d) applicable to the budget
year, other than any amounts included in such
estimates resulting from—

“(i) full funding of, and continuation of, the de-
posit insurance guarantee commitment in effect on
the date of enactment of this section; and

“(ii) emergency provisions as designated under
subsection (e); and

“(B) the estimated amount of savings in
direct spending programs applicable to the
budget year resulting from the prior year’s se-
questration under this section or section 253, if
any (except for any amounts sequestered as a
result of any deficit increase in the fiscal year
immediately preceding the prior fiscal year), as
published in OMB’s final sequestration report
for that prior year; and

“(C) all applicable estimates of direct
spending and receipts legislation transmitted
under subsection (d) for the current year that
are not reflected in the final OMB sequestra-
tion report for that year, other than any
amounts included in such estimates resulting
from emergency provisions as designated under
subsection (e).”;}
(2) by amending subsection (c)(1)(B), by inserting “and direct” after “guaranteed”;
(3) by amending subsection (d) to read as follows:
“(d) ESTIMATES.—
“(1) CBO ESTIMATES.—As soon as practicable after Congress completes action on any direct spending or receipts legislation, CBO shall provide an estimate of the budgetary effects of that legislation.
“(2) OMB ESTIMATES.—Not later than 5 calendar days (excluding Saturdays, Sundays, or legal holidays) after the enactment of any direct spending or receipts legislation, OMB shall transmit a report to the House of Representatives and to the Senate containing—
“(A) the CBO estimate of the budgetary effects of that legislation;
“(B) an OMB estimate of the budgetary effects of that legislation using current economic and technical assumptions; and
“(C) an explanation of any difference between the two estimates.
“(3) SCOPE OF ESTIMATES.—The estimates under this section shall include the amount of change in outlays or receipts, as the case may be,
for the current year (if applicable), the budget year, and each outyear.

“(4) SCOREKEEPING GUIDELINES.—OMB and CBO, after consultation with each other and the Committees on the Budget of the House of Representatives and the Senate, shall—

“(A) determine common scorekeeping guidelines; and

“(B) in conformance with such guidelines, prepare estimates under this section.”; and

(4) in subsection (e), by striking “, for any fiscal year from 1991 through 1998,” and by striking “through 1995”.

SEC. 11206. REPORTS AND ORDERS.

Section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking subsection (c) and redesignating subsections (d) through (k) as (e) through (j), respectively;

(2) in subsection (e)(2) (as redesignated), by striking “1998” and inserting “2002”; and

(3)(A) in subsection (f)(2)(A) (as redesignated), by striking “1998” and inserting “2002”; and

(B) in subsection (f)(3) (as redesignated), by striking “through 1998”.
SEC. 11207. EXEMPT PROGRAMS AND ACTIVITIES.

(a) VETERANS PROGRAMS.—Section 255(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) In the item relating to Veterans Insurance and Indemnity, strike "Indemnity" and insert "Indemnities".

(2) In the item relating to Veterans' Canteen Service Revolving Fund, strike "Veterans".

(3) In the item relating to Benefits under chapter 21 of title 38, strike "(36—0137—0—1—702)" and insert "(36—0120—0—1—701)".

(4) In the item relating to Veterans' compensation, strike "Veterans' compensation" and insert "Compensation".

(5) In the item relating to Veterans' pensions, strike "Veterans' pensions" and insert "Pensions".

(6) After the last item, insert the following new items:

"Benefits under chapter 35 of title 38, United States Code, related to educational assistance for survivors and dependents of certain veterans with service-connected disabilities (36—0137—0—1—702);

"Assistance and services under chapter 31 of title 38, United States Code, relating to
training and rehabilitation for certain veterans
with service-connected disabilities (36–0137–0–1–702);

"Benefits under subchapters I, II, and III
of chapter 37 of title 38, United States Code,
relating to housing loans for certain veterans
and for the spouses and surviving spouses of
certain veterans Guaranty and Indemnity Pro-
gram Account (36–1119–0–1–704);

"Loan Guaranty Program Account (36–
1025–0–1–704); and

"Direct Loan Program Account (36–1024–
0–1–704).".
(b) CERTAIN PROGRAM BASES.—Section 255(f) of
the Balanced Budget and Emergency Deficit Control Act
of 1985 is amended to read as follows:

"(f) OPTIONAL EXEMPTION OF MILITARY PERSON-
NEL.—

"(1) The President may, with respect to any
military personnel account, exempt that account
from sequestration or provide for a lower uniform
percentage reduction than would otherwise apply.

"(2) The President may not use the authority
provided by paragraph (1) unless he notifies the
Congress of the manner in which such authority will
be exercised on or before the date specified in section 254(a) for the budget year.”.

(c) OTHER PROGRAMS AND ACTIVITIES.—(1) Section 255(g)(1)(A) of the Balanced Budget Emergency Deficit Control Act of 1985 is amended as follows:

(A) After the first item, insert the following new item:

“Activities financed by voluntary payments to the Government for goods or services to be provided for such payments;”.

(B) Strike “Thrift Savings Fund (26–8141–0–7–602);”.

(C) In the first item relating to the Bureau of Indian Affairs, insert “Indian land and water claims settlements and” after the comma.

(D) In the second item relating to the Bureau of Indian Affairs, strike “miscellaneous” and insert “Miscellaneous” and strike “, tribal trust funds”.

(E) Strike “Claims, defense (97–0102–0–1–051);”.

(F) In the item relating to Claims, judgments, and relief acts, strike “806” and insert “808”.

(G) Strike “Coinage profit fund (20-5811-0-2-803)”.

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(H) Insert "Compact of Free Association (14–0415–0–1–808);" after the item relating to the Claims, judgments, and relief acts.

(I) Insert "Conservation Reserve Program (12–2319–0–1–302);" after the item relating to the Compensation of the President.

(J) In the item relating to the Customs Service, strike "852" and insert "806".

(K) In the item relating to the Comptroller of the Currency, insert "Assessment funds (20–8413–0–8–373)" before the semicolon.

(L) Strike "Director of the Office of Thrift Supervision;".

(M) Strike "Eastern Indian land claims settlement fund (14–2202–0–1–806);".

(N) After the item relating to the Exchange stabilization fund, insert the following new items:

"Farm Credit Administration, Limitation on Administrative Expenses (78–4131–0–3–351);

"Farm Credit System Financial Assistance Corporation, interest payment (20–1850–0–1–908);".

(O) Strike "Federal Deposit Insurance Corporation;".
(P) In the first item relating to the Federal Deposit Insurance Corporation, insert “(51–4064–0–3–373)” before the semicolon.

(Q) In the second item relating to the Federal Deposit Insurance Corporation, insert “(51–4065–0–3–373)” before the semicolon.

(R) In the third item relating to the Federal Deposit Insurance Corporation, insert “(51–4066–0–3–373)” before the semicolon.

(S) In the item relating to the Federal Housing Finance Board, insert “(95–4039–0–3–371)” before the semicolon.

(T) In the item relating to the Federal payment to the railroad retirement account, strike “account” and insert “accounts”.

(U) In the item relating to the health professions graduate student loan insurance fund, insert “program account” after “fund” and strike “(Health Education Assistance Loan Program) (75–4305–0–3–553)” and insert “(75–0340–0–1–552)”.

(V) In the item relating to Higher education facilities, strike “and insurance”.

(W) In the item relating to Internal revenue collections for Puerto Rico, strike “852” and insert “806”. 
(X) Amend the item relating to the Panama Canal Commission to read as follows:

"Panama Canal Commission, Panama Canal Revolving Fund (95–4061–0–3–403);".

(Y) In the item relating to the Medical facilities guarantee and loan fund, strike "(75–4430–0–3–551)" and insert "(75–9931–0–3–550)".

(Z) In the first item relating to the National Credit Union Administration, insert "operating fund (25–4056–0–3–373)" before the semicolon.

(AA) In the second item relating to the National Credit Union Administration, strike "central" and insert "Central" and insert "(25–4470–0–3–373)" before the semicolon.

(BB) In the third item relating to the National Credit Union Administration, strike "credit" and insert "Credit" and insert "(25–4468–0–3–373)" before the semicolon.

(CC) After the third item relating to the National Credit Union Administration, insert the following new item:

"Office of Thrift Supervision (20–4108–0–3–373);".
(DD) In the item relating to Payments to health care trust funds, strike “572” and insert “571”.

(EE) Strike “Compact of Free Association, economic assistance pursuant to Public Law 99–658 (14–0415–0–1–806);”.

(FF) In the item relating to Payments to social security trust funds, strike “571” and insert “651”.

(GG) Strike “Payments to state and local government fiscal assistance trust fund (20–2111–0–1–851);”.

(HH) In the item relating to Payments to the United States territories, strike “852” and insert “806”.

(II) Strike “Resolution Funding Corporation;”.

(JJ) In the item relating to the Resolution Trust Corporation, insert “Revolving Fund (22–4055–0–3–373)” before the semicolon.

(KK) After the item relating to the Tennessee Valley Authority funds, insert the following new items:

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"Thrift Savings Fund;
"United States Enrichment Corporation (95–4054–0–3–271);
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“Vaccine Injury Compensation (75–0320–0–1–551);
“Vaccine Injury Compensation Program Trust Fund (20–8175–0–7–551);”.

(2) Section 255(g)(1)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(A) Strike “The following budget” and insert “The following Federal retirement and disability”.

(B) In the item relating to Black lung benefits, strike “lung benefits” and insert “Lung Disability Trust Fund”.

(C) In the item relating to the Court of Federal Claims Court Judges’ Retirement Fund, strike “Court of Federal”.

(D) In the item relating to Longshoremen’s compensation benefits, insert “Special workers compensation expenses,” before “Longshoremen’s”.

(E) In the item relating to Railroad retirement tier II, strike “retirement tier II” and insert “Industry Pension Fund”.

(3) Section 255(g)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(A) Strike the following items:
“Agency for International Development, Housing, and other credit guarantee programs (72–4340–0–3–151);
“Agricultural credit insurance fund (12–4140–0–1–351);”.
(B) In the item relating to Check forgery, strike “Check” and insert “United States Treasury check”.
(C) Strike “Community development grant loan guarantees (86–0162–0–1–451);”.
(D) After the item relating to the United States Treasury Check forgery insurance fund, insert the following new item:
“Credit liquidating accounts;”.
(E) Strike the following items:
“Credit union share insurance fund (25–4468–0–3–371);
“Economic development revolving fund (13–4406–0–3);
“Export-Import Bank of the United States, Limitation of program activity (83–4027–0–1–155);
“Federal deposit Insurance Corporation (51–8419–0–8–371);
"Federal Housing Administration fund (86–4070–0–3–371);

"Federal ship financing fund (69–4301–0–3–403);

"Federal ship financing fund, fishing vessels (13–4417–0–3–376);

"Government National Mortgage Association, Guarantees of mortgage-backed securities (86–4238–0–3–371);

"Health education loans (75–4307–0–3–553);

"Indian loan guarantee and insurance fund (14–4410–0–3–452);

"Railroad rehabilitation and improvement financing fund (69–4411–0–3–401);

"Rural development insurance fund (12–4155–0–3–452);

"Rural electric and telephone revolving fund (12–4230–8–3–271);

"Rural housing insurance fund (12–4141–0–3–371);

"Small Business Administration, Business loan and investment fund (73–4154–0–3–376);

"Small Business Administration, Lease guarantees revolving fund (73–4157–0–3–376);
"Small Business Administration, Pollution control equipment contract guarantee revolving fund (73–4147–0–3–376);

"Small Business Administration, Surety bond guarantees revolving fund (73–4156–0–3–376);

"Department of Veterans Affairs Loan guaranty revolving fund (36–4025–0–3–704);”.

(d) LOW-INCOME PROGRAMS.—Section 255(h) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) Amend the item relating to Child nutrition to read as follows:

"State child nutrition programs (with the exception of special milk programs) (12–3539–0–1–605);”.

(2) Amend the item relating to the Women, infants, and children program to read as follows:

"Special supplemental nutrition program for women, infants, and children (WIC) (12–3510–0–1–605).”.

(e) IDENTIFICATION OF PROGRAMS.—Section 255(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:
“(i) IDENTIFICATION OF PROGRAMS.—For purposes of subsections (b), (g), and (h), each account is identified by the designated budget account identification code number set forth in the Budget of the United States Government 1996—Appendix, and an activity within an account is designated by the name of the activity and the identification code number of the account.”.

(f) OPTIONAL EXEMPTION OF MILITARY PERSONNEL.—Section 255(h) of the Balanced Budget and Emergency Deficit Control Act of 1985 (relating to optional exemption of military personnel) is repealed.

SEC. 11208. GENERAL AND SPECIAL SEQUESTRATION RULES.

(a) SECTION HEADING.—(1) The section heading of section 256 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking “EXCEPTIONS, LIMITATIONS, AND SPECIAL RULES” and inserting “GENERAL AND SPECIAL SEQUESTRATION RULES”.

(2) The item relating to section 256 in the table contents set forth in section 250(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

“Sec. 256. General and special sequestration rules.”.

(b) AUTOMATIC SPENDING INCREASES.—Section 256(a) of the Balanced Budget and Emergency Deficit
Control Act of 1985 is amended by striking paragraph (1) and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(c) GUARANTEED AND DIRECT STUDENT LOAN PROGRAMS.—Section 256(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

“(b) STUDENT LOANS.—(1) For all student loans under part B or D of title IV of the Higher Education Act of 1965 made during the period when a sequestration order under section 254 is in effect, origination fees under sections 438(c)(2) and 455(c) of that Act shall be increased by a uniform percentage sufficient to produce the dollar savings in student loan programs (as a result of that sequestration order) required by section 252 or 253, as applicable.

“(2) For any loan made during the period beginning on the date that an order issued under section 254 takes effect with respect to a fiscal year and ending at the close of such fiscal year, the origination fees which are authorized to be collected pursuant to sections 438(c)(2) and 455(c) of such Act shall be increased by 0.50 percent.”.

(d) HEALTH CENTERS.—Section 256(e)(1) of the Balanced Budget and Emergency Deficit Control Act of
1985 is amended by striking the dash and all that follows thereafter and inserting “2 percent.”.

(e) **FEDERAL PAY.**—Section 256(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting “(including any amount payable under section 5303 or 5304 of title 5, United States Code)” after “such statutory pay system”.

(f) **TREATMENT OF FEDERAL ADMINISTRATIVE EXPENSES.**—Section 256(h)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking subparagraphs (D) and (H), by redesignating subparagraphs (E), (F), (G), and (I), as subparagraphs (D), (E), (F), and (G), respectively, and by adding at the end the following new subparagraph:

“(H) Farm Credit Administration.”.

(g) **COMMODITY CREDIT CORPORATION.**—Section 256(j)(5) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

“(5) **DAIRY PROGRAM.**—Notwithstanding other provisions of this subsection, as the sole means of achieving any reduction in outlays under the milk price support program, the Secretary of Agriculture shall provide for a reduction to be made in the price received by producers for all milk produced in the United States and marketed by producers for com-
commercial use. That price reduction (measured in cents per hundred weight of milk marketed) shall occur under section 201(d)(2)(A) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(2)(A)), shall begin on the day any sequestration order is issued under section 254, and shall not exceed the aggregate amount of the reduction in outlays under the milk price support program that otherwise would have been achieved by reducing payments for the purchase of milk or the products of milk under this subsection during the applicable fiscal year.”.

(h) EFFECTS OF SEQUESTRATION.—Section 256(k) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) In paragraph (1), strike “other than a trust or special fund account” and insert “, except as provided in paragraph (5)” before the period.

(2) Strike paragraph (4), redesignate paragraphs (5) and (6) as paragraphs (4) and (5), respectively, and amend paragraph (5) (as redesignated) to read as follows:

“(5) Budgetary resources sequestered in revolving, trust, and special fund accounts, and offsetting collections sequestered in appropriation accounts shall not be available for obligation during the fiscal
year in which the sequestration occurs, but shall be available in subsequent years to the extent otherwise provided in law.”.

SEC. 11209. THE BASELINE.

Section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (b)(2) by amending subparagraph (A) to read as follows:

“(A)(i) Except as provided in clause (ii), no program with estimated current year outlays greater than $50,000,000 shall be assumed to expire in the budget year or the outyears.

“(ii) Clause (i) shall not apply to a program if legislation establishing or modifying that program contains a provision stating ‘Section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 shall not apply to the program specified in ____ of this Act.’, the blank space being filled in with the appropriate section or sections of that legislation.

“(iii) No bill, resolution, amendment, motion, or conference report shall be subject to a point of order under section 306 of the Congressional Budget Act of 1974 solely because it includes the provision specified in clause (ii).
“(iv) Upon the expiration of the suspensions contained in section 171 of Public Law 104–193 with regard to a program in such Act with estimated fiscal year outlays greater than $50,000,000, that program shall be assumed to operate under that Act as in effect immediately before reversion to the laws suspended by such Act.”

(2) by adding the end of subsection (b)(2) the following new subparagraph:

“(D) If any law expires before the budget year or any outyear, then any program with estimated current year outlays greater than $50 million which operates under that law shall be assumed to continue to operate under that law as in effect immediately before its expiration.”;

(3) in the second sentence of subsection (c)(5), by striking “national product fixed-weight price index” and inserting “domestic product chain-type price index”; and

(4) by striking subsection (e) and inserting the following:

“(e) ASSET SALES.—Amounts realized from the sale of an asset other than a loan asset shall not be counted against legislation if that sale would result in a financial cost to the Federal Government.”.
SEC. 11210. TECHNICAL CORRECTION.

Section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985, entitled "Modification of Presidential Order", is repealed.

SEC. 11211. JUDICIAL REVIEW.

Section 274 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) Strike "252" or "252(b)" each place it occurs and insert "254".

(2) In subsection (d)(1)(A), strike "257(l) to the extent that" and insert "256(a) if", strike the parenthetical phrase, and at the end insert "or".

(3) In subsection (d)(1)(B), strike "new budget" and all that follows through "spending authority" and insert "budgetary resources" and strike "or" after the comma.

(4) Strike subsection (d)(1)(C).

(5) Strike subsection (f) and redesignate subsections (g) and (h) as subsections (f) and (g), respectively.

(6) In subsection (g) (as redesignated), strike "base levels of total revenues and total budget outlays, as" and insert "figures", and "251(a)(2)(B) or (c)(2)," and insert "254".
SEC. 11212. EFFECTIVE DATE.

(a) EXPIRATION.—Section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking “Part C of this title, section” and inserting “Sections 251, 253, 258B, and”;

(2) by striking “1995” and inserting “2002”;

and

(3) by adding at the end the following new sentence: “The remaining sections of part C of this title shall expire September 30, 2006.”.

(b) EXPIRATION.—Section 14002(c)(3) of the Omnibus Budget Reconciliation Act of 1993 (2 U.S.C. 900 note) is repealed.

SEC. 11213. REDUCTION OF PREEXISTING BALANCES AND EXCLUSION OF EFFECTS OF THIS ACT FROM PAYGO SCORECARD.

Upon the enactment of this Act, the Director of the Office of Management and Budget shall—

(1) reduce any balances of direct spending and receipts legislation for any fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 to zero; and

(2) not make any estimates of changes in direct spending outlays and receipts under subsection (d) of such section 252 for any fiscal year resulting...
from the enactment of this Act or the Revenue Reconciliation Act of 1997.


Attest: ROBIN H. CARLE,

Clerk.
To provide for reconciliation pursuant to section 104(a) of the concurrent resolution on the budget for fiscal year 1998.

IN THE SENATE OF THE UNITED STATES
JUNE 20, 1997
Mr. DOMENICI, from the Committee on the Budget, reported the following original bill; which was read twice and placed on the calendar

A BILL
To provide for reconciliation pursuant to section 104(a) of the concurrent resolution on the budget for fiscal year 1998.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.
This Act may be cited as the “Balanced Budget Act of 1997”.

SEC. 2. TABLE OF TITLES.
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TITLE V—COMMITTEE ON FINANCE

SEC. 5000. AMENDMENTS TO SOCIAL SECURITY ACT AND REFERENCES TO OBRA; TABLE OF CONTENTS OF TITLE.

(a) Amendments to Social Security Act.—Except as otherwise specifically provided, whenever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(b) References to OBRA.—In this title, the terms "OBRA—1986", "OBRA—1987", "OBRA—1989", "OBRA—1990", and "OBRA—1993" refer to the Omnibus Budget Reconciliation Act of 1986 (Public Law 99–509), the Omnibus Budget Reconciliation Act of 1987 (Public...
1 Law 100–203), the Omnibus Budget Reconciliation Act of 1989 (Public Law 101–239), the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508), and the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66), respectively.

(c) TABLE OF CONTENTS.—The table of contents of this title is as follows:

**TITLE V—COMMITTEE ON FINANCE**

Sec. 5000. Amendments to Social Security Act and references to OBRA; table of contents of title.

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Subtitle A—Medicare Choice Program

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**SUBCHAPTER A—MEDICARE CHOICE PROGRAM**

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"Sec. 1851. Eligibility, election, and enrollment.
"Sec. 1852. Benefits and beneficiary protections.
"Sec. 1853. Payments to Medicare Choice organizations.
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"Sec. 1855. Organizational and financial requirements for Medicare Choice organizations; provider-sponsored organizations.
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Sec. 5006. Medicare Choice MSA.

**CHAPTER 2—INTEGRATED LONG-TERM CARE PROGRAMS**

**SUBCHAPTER A—PROGRAMS OF ALL-INCLUSIVE CARE FOR THE ELDERLY (PACE)**

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Sec. 5012. Effective date; transition.

Sec. 5013. Study and reports.
SUBCHAPTER B—SOCIAL HEALTH MAINTENANCE ORGANIZATIONS

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Sec. 5151. Sole community hospitals.
Sec. 5152. Medicare-dependent, small rural hospital payment extension.
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SUBCHAPTER C—MISCELLANEOUS CLERICAL AND TECHNICAL AMENDMENTS;
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Sec. 5976. Correcting miscellaneous clerical and technical errors.
Sec. 5977. Effective date.

CHAPTER 5—CHILD PROTECTION

Sec. 5981. Conforming and technical amendments relating to child protection.
Sec. 5982. Additional technical amendments relating to child protection.
Sec. 5983. Effective date.

CHAPTER 6—CHILD CARE

Sec. 5985. Conforming and technical amendments relating to child care.
Sec. 5986. Additional conforming and technical amendments.
Sec. 5987. Repeals.
Sec. 5988. Effective dates.

CHAPTER 7—ERISA AMENDMENTS RELATING TO MEDICAL CHILD SUPPORT ORDERS

Sec. 5991. Amendments relating to section 303 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Sec. 5992. Amendment relating to section 381 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
Sec. 5993. Amendments relating to section 382 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
SEC. 5212. PROVISION OF CERTAIN IDENTIFICATION NUMBERS.

(a) REQUIREMENTS TO DISCLOSE EMPLOYER IDENTIFICATION NUMBERS (EINS) AND SOCIAL SECURITY ACCOUNT NUMBERS (SSNs).—Section 1124(a)(1) (42 U.S.C. 1320a–3(a)(1)) is amended by inserting before the period at the end the following: “and supply the Secretary with the both the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing entity, each person with an ownership or control interest (as defined in subsection (a)(3)), and any subcontractor in which the entity directly or indirectly has a 5 percent or more ownership interest”.

(b) OTHER MEDICARE PROVIDERS.—Section 1124A (42 U.S.C. 1320a–3a) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “and” at the end;
(B) in paragraph (2), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(3) including the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing part B provider and any person, managing employee, or other entity identified or described under paragraph (1) or (2)."; and

(2) in subsection (c)(1), by inserting "(or, for purposes of subsection (a)(3), any entity receiving payment)" after "on an assignment-related basis".

(c) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION (SSA).—Section 1124A (42 U.S.C. 1320a–3a), as amended by subsection (b), is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

"(c) VERIFICATION.—

"(1) TRANSMITTAL BY HHS.—The Secretary shall transmit—

"(A) to the Commissioner of Social Security information concerning each social security
account number (assigned under section 205(c)(2)(B)), and

"(B) to the Secretary of the Treasury information concerning each employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986),
supplied to the Secretary pursuant to subsection (a)(3) or section 1124(c) to the extent necessary for verification of such information in accordance with paragraph (2).

"(2) VERIFICATION.—The Commissioner of Social Security and the Secretary of the Treasury shall verify the accuracy of, or correct, the information supplied by the Secretary to such official pursuant to paragraph (1), and shall report such verifications or corrections to the Secretary.

"(3) FEES FOR VERIFICATION.—The Secretary shall reimburse the Commissioner and Secretary of the Treasury, at a rate negotiated between the Secretary and such official, for the costs incurred by such official in performing the verification and correction services described in this subsection."

(d) REPORT.—The Secretary of Health and Human Services shall submit to Congress a report on steps the Secretary has taken to assure the confidentiality of social
security account numbers that will be provided to the Secretary under the amendments made by this section.

(e) EFFECTIVE DATES.—

(1) DISCLOSURE REQUIREMENTS.—The amendment made by subsection (a) shall apply to the application of conditions of participation, and entering into and renewal of contracts and agreements, occurring more than 90 days after the date of submission of the report under subsection (d).

(2) OTHER PROVIDERS.—The amendments made by subsection (b) shall apply to payment for items and services furnished more than 90 days after the date of submission of such report.
DIVISION 3—INCOME SECURITY
AND OTHER PROVISIONS


CHAPTER 1—INCOME SECURITY

SEC. 5811. SSI ELIGIBILITY FOR ALIENS RECEIVING SSI ON AUGUST 22, 1996.

(a) In General.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding after subparagraph (D) the following new subparagraph:

"(E) ALIENS RECEIVING SSI ON AUGUST 22, 1996.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to an alien who is lawfully residing in any State and who was receiving such benefits on August 22, 1996."

(b) Status of Cuban and Haitian Entrants.—For purposes of section 402(a)(2)(E) of the Personal Responsibility and Work Opportunity Reconciliation Act of
1996 (8 U.S.C. 1612(a)(2)(E)), an alien who is a Cuban and Haitian entrant, as defined in section 501(e) of the Refugee Education Assistance Act of 1980, shall be considered a qualified alien.

(c) CONFORMING AMENDMENTS.—Section 402(a)(2)(D) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(D)) is amended—

(1) by striking clause (i);

(2) in the subparagraph heading by striking “BENEFITS” and inserting “FOOD STAMPS”;

(3) by striking “(ii) FOOD STAMPS”; and

(4) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii).

SEC. 5812. EXTENSION OF ELIGIBILITY PERIOD FOR REFUGEES AND CERTAIN OTHER QUALIFIED ALIENS FROM 5 TO 7 YEARS FOR SSI AND MEDICAID.

(a) SSI.—Section 402(a)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A)) is amended to read as follows:

“(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—
"(i) SSI.—With respect to the specified Federal program described in paragraph (3)(A) paragraph 1 shall not apply to an alien until 7 years after the date—

"(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

"(II) an alien is granted asylum under section 208 of such Act; or

"(III) an alien's deportation is withheld under section 243(h) of such Act.

"(ii) FOOD STAMPS.—With respect to the specified Federal program described in paragraph (3)(B), paragraph 1 shall not apply to an alien until 5 years after the date—

"(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

"(II) an alien is granted asylum under section 208 of such Act; or
“(III) an alien’s deportation is withheld under section 243(h) of such Act.”.

(b) MEDICAID.—Section 402(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)(A)) is amended to read as follows:

“(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

“(i) MEDICAID.—With respect to the designated Federal program described in paragraph (3)(C), paragraph 1 shall not apply to an alien until 7 years after the date—

“(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

“(II) an alien is granted asylum under section 208 of such Act; or

“(III) an alien’s deportation is withheld under section 243(h) of such Act.

“(ii) OTHER DESIGNATED FEDERAL PROGRAMS.—With respect to the des-
ignated Federal programs under paragraph (3) (other than subparagraph (C)), paragraph 1 shall not apply to an alien until 5 years after the date—

“(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

“(II) an alien is granted asylum under section 208 of such Act; or

“(III) an alien's deportation is withheld under section 243(h) of such Act.”.

(c) STATUS OF CUBAN AND HAITIAN ENTRANTS.—For purposes of sections 402(a)(2)(A) and 402(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A), (b)(2)(A)), an alien who is a Cuban and Haitian entrant, as defined in section 501(e) of the Refugee Education Assistance Act of 1980, shall be considered a refugee.

SEC. 5813. SSI ELIGIBILITY FOR PERMANENT RESIDENT ALIENS WHO ARE MEMBERS OF AN INDIAN TRIBE.

Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C.
1612(a)(2)) (as amended by section 5811) is amended by
adding at the end the following:

"(F) PERMANENT RESIDENT ALIENS WHO
ARE MEMBERS OF AN INDIAN TRIBE.—With re-
spect to eligibility for benefits for the program
defined in paragraph (3)(A) (relating to the
supplemental security income program), para-
graph (1) shall not apply to an alien who—

"(i) is lawfully admitted for perma-
nent residence under the Immigration and
Nationality Act; and

"(ii) is a member of an Indian tribe
(as defined in section 4(e) of the Indian
Self-Determination and Education Assist-
ance Act)."

SEC. 5814. SSI ELIGIBILITY FOR DISABLED LEGAL ALIENS
IN THE UNITED STATES ON AUGUST 22, 1996.
Section 402(a)(2) of the Personal Responsibility and
1612(a)(2)) (as amended by section 5813) is amended by
adding at the end the following:

"(G) DISABLED ALIENS LAWFULLY RESID-
ING IN THE UNITED STATES ON AUGUST 22,
1996.—With respect to eligibility for benefits for
the program defined in paragraph (3)(A) (relat-
ing to the supplemental security income pro-
gram), paragraph (1) shall not apply to an 
alien who—

“(i) is lawfully residing in any State 
on August 22, 1996; and
“(ii) is disabled, as defined in section 
1614(a)(3) of the Social Security Act (42 
U.S.C. 1382e(a)(3)),
but only if the alien applies for benefits under 
such program on or before September 30, 
1997.”.

SEC. 5815. EXEMPTION FROM RESTRICTION ON SUPPLE-
MENTAL SECURITY INCOME PROGRAM PAR-
TICIPATION BY CERTAIN RECIPIENTS ELIGI-
BLE ON THE BASIS OF VERY OLD APPLICA-
TIONS.

Section 402(a)(2) of the Personal Responsibility and 
1612(a)(2)) (as amended by section 5814) is amended by 
adding at the end the following:

“(H) Ssi Exception for Certain Re-
cipients on the Basis of Very Old Appler-
cations.—With respect to eligibility for benefits 
for the program defined in paragraph (3)(A) 
(relating to the supplemental security income
program), paragraph (1) shall not apply to any individual—

“(i) who is receiving benefits under such program for months after July 1996 on the basis of an application filed before January 1, 1979; and

“(ii) with respect to whom the Commissioner of Social Security lacks clear and convincing evidence that such individual is an alien ineligible for such benefits as a result of the application of this section.”.

SEC. 5816. REINSTATEMENT OF ELIGIBILITY FOR BENEFITS.

(a) FOOD STAMPS.—The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding after section 435 the following new section:

“SEC. 436. DERIVATIVE ELIGIBILITY FOR BENEFITS.

Notwithstanding any other provision of law, an alien who under the provisions of this title is ineligible for benefits under the food stamp program (as defined in section 402(a)(3)(A)) shall not be eligible for such benefits because the alien receives benefits under the supplemental security income program (as defined in section 402(a)(3)(B)).”.

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(b) MEDICAID.—Section 402(b)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)) is amended by adding at the end the following:

“(E) MEDICAID EXCEPTION FOR ALIENS RECEIVING SSI.—An alien who is receiving benefits under the program defined in subsection (a)(3)(A) (relating to the supplemental security income program) shall be eligible for medical assistance under a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) under the same terms and conditions that apply to other recipients of benefits under the program defined in such subsection.”.

(c) CLERICAL AMENDMENT.—Section 2 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding after the item related to section 435 the following:

“Sec. 436. Derivative eligibility for benefits.”.

SEC. 5817. EXEMPTION FOR CHILDREN WHO ARE LEGAL Aliens from 5-YEAR BAN ON MEDICAID ELIGIBILITY.

Section 403 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613) is amended by adding at the end the following:
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1 "(e) MEDICAID ELIGIBILITY EXEMPTION FOR CHILDREN.—The limitation under subsection (a) shall not
2 apply to any alien who has not attained age 19 and is
3 lawfully residing in any State, but only with respect to
4 such alien's eligibility for medical assistance under a State
5 plan under title XIX of the Social Security Act (42 U.S.C.
6 1396 et seq.).".
7
8 SEC. 5818. EFFECTIVE DATE.
9 The amendments made by this chapter shall take ef-
10 fect as if they were included in the enactment of title IV
11 of the Personal Responsibility and Work Opportunity Rec-
13 2260).
CHAPTER 3—MISCELLANEOUS

SEC. 5871. SENSE OF THE SENATE REGARDING THE CORRECTION OF COST-OF-LIVING ADJUSTMENTS.

(a) FINDINGS.—The Senate makes the following findings:

(1) The final report of the Senate Finance Committee’s Advisory Commission to Study the Consumer Price Index, chaired by Professor Michael Boskin, has concluded that the Consumer Price Index overstates the cost of living in the United States by 1.1 percentage points.

(2) Dr. Alan Greenspan, Chairman of the Board of Governors of the Federal Reserve System, has testified before the Senate Finance Committee that “the best available evidence suggests that there is virtually no chance that the CPI as currently published understates” the cost of living and that there is “a very high probability that the upward bias
ranges between $\frac{1}{2}$ percentage point per year and 1$\frac{1}{2}$ percentage points per year".

(3) The overstatement of the cost of living by the Consumer Price Index has been recognized by economists since at least 1961, when a report noting the existence of the overstatement was issued by a National Bureau of Economic Research Committee, chaired by Professor George J. Stigler.

(4) Congress and the President, through the indexing of Federal tax brackets, Social Security benefits, and other Federal program benefits, have undertaken to protect taxpayers and beneficiaries of such programs from the erosion of purchasing power due to inflation.

(5) Congress and the President intended the indexing of Federal tax brackets, Social Security benefits, and other Federal program benefits to accurately reflect changes in the cost of living.

(6) The overstatement of the cost of living increases the deficit and undermines the equitable administration of Federal benefits and tax policies.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that all cost-of-living adjustments required by statute should accurately reflect the best available estimate of changes in the cost of living.
Subtitle M—Welfare Reform

Technical Corrections

SEC. 5900. SHORT TITLE OF SUBTITLE.

This subtitle may be cited as the "Welfare Reform Technical Corrections Act of 1997".

CHAPTER 2—SUPPLEMENTAL SECURITY INCOME

SEC. 5921. CONFORMING AND TECHNICAL AMENDMENTS RELATING TO ELIGIBILITY RESTRICTIONS.

(a) Denial of SSI Benefits for Fugitive Felons and Probation and Parole Violators.—Section 1611(e)(6) (42 U.S.C. 1382(e)(6)) is amended by inserting "and section 1106(c) of this Act" after "of 1986".

(b) Treatment of Prisoners.—Section 1611(e)(1)(I)(i)(II) (42 U.S.C. 1382(e)(1)(I)(i)(II)) is amended by striking "inmate of the institution" and all that follows through "this subparagraph" and inserting "individual who receives in the month preceding the first month throughout which such individual is an inmate of the jail, prison, penal institution, or correctional facility that furnishes information respecting such individual pursuant to subclause (I), or is confined in the institution (that so furnishes such information) as described in section 202(x)(1)(A)(ii), a benefit under this title for such preceding month, and who is determined by the Commissioner to be ineligible for benefits under this title by rea-
son of confinement based on the information provided by such institution”.

(c) Correction of Reference.—Section 1611(e)(1)(I)(i)(I) (42 U.S.C. 1382(e)(1)(I)(i)(I)) is amended by striking “paragraph (1)” and inserting “this paragraph”.

SEC. 5922. CONFORMING AND TECHNICAL AMENDMENTS RELATING TO BENEFITS FOR DISABLED CHILDREN.

(a) Eligibility Redeterminations for Current Recipients.—Section 211(d)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 1382c note) is amended by striking “1 year” and inserting “18 months”.

(b) Eligibility Redeterminations and Continuing Disability Reviews.—

(1) Disability eligibility redeterminations required for SSI recipients who attain 18 years of age.—Section 1614(a)(3)(H)(iii) (42 U.S.C. 1382c(a)(3)(H)(iii)) is amended by striking subclauses (I) and (II) and all that follows and inserting the following:

“(I) by applying the criteria used in determining initial eligibility for individuals who are age 18 or older; and
“(II) either during the 1-year period beginning on the individual’s 18th birthday or, in lieu of a continuing disability review, whenever the Commissioner determines that an individual’s case is subject to a redetermination under this clause.

With respect to any redetermination under this clause, paragraph (4) shall not apply.”.


(A) in subclause (I), by striking “Not” and inserting “Except as provided in subclause (VI), not”; and

(B) by adding at the end the following:

“(VI) Subclause (I) shall not apply in the case of an individual described in that subclause who, at the time of the individual’s initial disability determination, the Commissioner determines has an impairment that is not expected to improve within 12 months after the birth of that individual, and who the Commissioner schedules for a continuing disability review at a date that is after the individual attains 1 year of age.”.
(c) ADDITIONAL ACCOUNTABILITY REQUIREMENTS.—Section 1631(a)(2)(F) (42 U.S.C. 1383(a)(2)(F)) is amended—

(1) in clause (ii)(III)(bb), by striking “the total amount” and all that follows through “1613(c)” and inserting “in any case in which the individual knowingly misapplies benefits from such an account, the Commissioner shall reduce future benefits payable to such individual (or to such individual and his spouse) by an amount equal to the total amount of such benefits so misapplied”; and

(2) by striking clause (iii) and inserting the following:

“(iii) The representative payee may deposit into the account established under clause (i) any other funds representing past due benefits under this title to the eligible individual, provided that the amount of such past due benefits is equal to or exceeds the maximum monthly benefit payable under this title to an eligible individual (including State supplementary payments made by the Commissioner pursuant to an agreement under section 1616 or section 212(b) of Public Law 93–66).”.

(d) REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED INDIVIDUALS WHOSE MEDICAL COSTS
ARE COVERED BY PRIVATE INSURANCE.—Section 1611(e) (42 U.S.C. 1382(e)) is amended—

(1) in paragraph (1)(B)—

(A) in the matter preceding clause (i), by striking “hospital, extended care facility, nursing home, or intermediate care facility” and inserting “medical treatment facility”;

(B) in clause (ii)—

(i) in the matter preceding subclause (I), by striking “hospital, home or”; and

(ii) in subclause (I), by striking “hospital, home, or”;

(C) in clause (iii), by striking “hospital, home, or”; and

(D) in the matter following clause (iii), by striking “hospital, extended care facility, nursing home, or intermediate care facility which is a ‘medical institution or nursing facility’ within the meaning of section 1917(c)” and inserting “medical treatment facility that provides services described in section 1917(e)(1)(C)”;

(2) in paragraph (1)(E)—

(A) in clause (i)(II), by striking “hospital, extended care facility, nursing home, or inter-
mediate care facility” and inserting “medical
treatment facility”; and

(B) in clause (iii), by striking “hospital,
extended care facility, nursing home, or inter-
mediate care facility” and inserting “medical
treatment facility”;

(3) in paragraph (1)(G), in the matter preceed-
ing clause (i)—

(A) by striking “or which is a hospital, ex-
tended care facility, nursing home, or inter-
mediate care” and inserting “or is in a medical
treatment”; and

(B) by inserting “or, in the case of an in-
dividual who is a child under the age of 18,
under any health insurance policy issued by a
private provider of such insurance” after “title
XIX”; and

(4) in paragraph (3)—

(A) by striking “same hospital, home, or
facility” and inserting “same medical treatment
facility”; and

(B) by striking “same such hospital, home,
or facility” and inserting “same such facility”.

(e) CORRECTION OF U.S.C. CITATION.—Section
211(e) of the Personal Responsibility and Work Oppor-
tunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2189) is amended by striking “1382(a)(4)” and inserting “1382c(a)(4)”.

SEC. 5923. ADDITIONAL TECHNICAL AMENDMENTS TO TITLE XVI.

Section 1615(d) (42 U.S.C. 1382d(d)) is amended—

(1) in the first sentence, by inserting a comma after “subsection (a)(1)”; and

(2) in the last sentence, by striking “him” and inserting “the Commissioner”.

SEC. 5924. ADDITIONAL TECHNICAL AMENDMENTS RELATING TO TITLE XVI.

Section 1110(a)(3) (42 U.S.C. 1310(a)(3)) is amended—

(1) by inserting “(or the Commissioner, with respect to any jointly financed cooperative agreement or grant concerning title XVI)” after “Secretary” the first place it appears; and

(2) by inserting “(or the Commissioner, as applicable)” after “Secretary” the second place it appears.

SEC. 5925. EFFECTIVE DATES.

(a) In General.—Except as provided in subsection (b), the amendments made by this part shall take effect as if included in the enactment of title II of the Persona

(b) EXCEPTION.—The amendments made by section 5925 shall take effect as if included in the enactment of the Social Security Independence and Program Improvements Act of 1994 (Public Law 103–296; 108 Stat. 1464).

SEC. 5940. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

Section 466(a)(13) (42 U.S.C. 666(a)(13)) is amended—

(1) in subparagraph (A)—

(A) by striking “commercial”; and

(B) by inserting “recreational license,” after “occupational license,”; and

(2) in the matter following subparagraph (C), by inserting “to be used on the face of the document while the social security number is kept on file at the agency” after “other than the social security number”.
CHAPTER 4—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

Subchapter A—Eligibility for Federal Benefits

SEC. 5965. ALIEN ELIGIBILITY FOR FEDERAL BENEFITS:

LIMITED APPLICATION TO MEDICARE AND BENEFITS UNDER THE RAILROAD RETIREMENT ACT.

(a) LIMITED APPLICATION TO MEDICARE.—Section 401(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(b)) is amended by adding at the end the following:

“(3) Subsection (a) shall not apply to any benefit payable under title XVIII of the Social Security Act (relating to the medicare program) to an alien who is lawfully present in the United States as determined by the Attorney General and, with respect to benefits payable under part A of such title, who was authorized to be employed with respect to any wages attributable to employment which are counted for purposes of eligibility for such benefits.”.

(b) LIMITED APPLICATION TO BENEFITS UNDER THE RAILROAD RETIREMENT ACT.—Section 401(b) of the
Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(b)) (as amended by subsection (a)) is amended by inserting at the end the following:

"(4) Subsection (a) shall not apply to any benefit payable under the Railroad Retirement Act of 1974 or the Railroad Unemployment Insurance Act to an alien who is lawfully present in the United States as determined by the Attorney General or to an alien residing outside the United States."

SEC. 5966. EXCEPTIONS TO BENEFIT LIMITATIONS: CORRECTIONS TO REFERENCE CONCERNING ALIENS WHOSE DEPORTATION IS WITHHELD.

Sections 402(a)(2)(A)(i)(III), 402(a)(2)(A)(ii)(III), 402(b)(2)(A)(iii), 403(b)(1)(C), 412(b)(1)(C), and 431(b)(5) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A)(iii), 1612(b)(2)(A)(iii), 1613(b)(1)(C), 1622(b)(1)(C), and 1641(b)(5)) are each amended by striking "section 243(h) of such Act" each place it appears and inserting "section 243(h) of such Act (as in effect immediately before the effective date of section 307 of division C of Public Law 104–208) or section 241(b)(3) of such Act (as amended by section 305(a) of division C of Public Law 104–208)".
SEC. 5967. VETERANS EXCEPTION: APPLICATION OF MINIMUM ACTIVE DUTY SERVICE REQUIREMENT; EXTENSION TO UNREMARRIED SURVIVING SPOUSE; EXPANDED DEFINITION OF VETERAN.


(b) Exception Applicable to Unremarried Surviving Spouse.—Section 402(a)(2)(C)(iii), 402(b)(2)(C)(iii), 403(b)(2)(C), and 412(b)(3)(C) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(C)(iii), 1612(b)(2)(C)(iii), 1613(b)(2)(C), and 1622(b)(3)(C)) are each amended by inserting before the period “or the unremarried surviving spouse of an individual described in clause (i) or (ii) who is deceased if the marriage fulfills the requirements of section 1304 of title 38, United States Code”.

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(c) EXPANDED DEFINITION OF VETERAN.—Sections 402(a)(2)(C)(i), 402(b)(2)(C)(i), 403(b)(2)(A), and 412(b)(3)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(C)(i), 1612(b)(2)(C)(i), 1613(b)(2)(A), and 1622(b)(3)(A)) are each amended by inserting “, 1101, or 1301, or as described in section 107” after “section 101”.

SEC. 5968. CORRECTION OF REFERENCE CONCERNING CUBAN AND HAITIAN ENTRANTS.
Section 403(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(d)) is amended—
(1) by striking “section 501 of the Refugee” and insert “section 501(a) of the Refugee”; and
(2) by striking “section 501(e)(2)” and inserting “section 501(e)”.

SEC. 5969. NOTIFICATION CONCERNING ALIENS NOT LAWFULLY PRESENT: CORRECTION OF TERMINOLOGY.
Section 1631(e)(9) of the Social Security Act (42 U.S.C. 1383(e)(9)) and section 27 of the United States Housing Act of 1937, as added by section 404 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, are each amended by striking “unlawfully
in the United States” each place it appears and inserting
“not lawfully present in the United States”.

SEC. 5970. FREELY ASSOCIATED STATES: CONTRACTS AND
LICENSES.

Sections 401(c)(2)(A) and 411(c)(2)(A) of the Personal
Responsibility and Work Opportunity Reconciliation
Act of 1996 (8 U.S.C. 1611(c)(2)(A) and 1621(c)(2)(A))
are each amended by inserting before the semicolon at the
end “, or to a citizen of a freely associated state, if section
141 of the applicable compact of free association approved
in Public Law 99–239 or 99–658 (or a successor provi-
son) is in effect”.

SEC. 5971. CONGRESSIONAL STATEMENT REGARDING BEN-
EFITS FOR HMONG AND OTHER HIGHLAND
LAO VETERANS.

(a) FINDINGS.—The Congress makes the following
findings:

(1) Hmong and other Highland Lao tribal peo-
ples were recruited, armed, trained, and funded for
military operations by the United States Department
of Defense, Central Intelligence Agency, Department
of State, and Agency for International Development
to further United States national security interests
during the Vietnam conflict.
(2) Hmong and other Highland Lao tribal forces sacrificed their own lives and saved the lives of American military personnel by rescuing downed American pilots and aircrews and by engaging and successfully fighting North Vietnamese troops.

(3) Thousands of Hmong and other Highland Lao veterans who fought in special guerilla units on behalf of the United States during the Vietnam conflict, along with their families, have been lawfully admitted to the United States in recent years.

(4) The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193), the new national welfare reform law, restricts certain welfare benefits for noncitizens of the United States and the exceptions for noncitizen veterans of the Armed Forces of the United States do not extend to Hmong veterans of the Vietnam conflict era, making Hmong veterans and their families receiving certain welfare benefits subject to restrictions despite their military service on behalf of the United States.

(b) CONGRESSIONAL STATEMENT.—It is the sense of the Congress that Hmong and other Highland Lao veterans who fought on behalf of the Armed Forces of the United States during the Vietnam conflict and have lawfully
been admitted to the United States for permanent resi-
dence should be considered veterans for purposes of con-
tinuing certain welfare benefits consistent with the excep-
tions provided other noncitizen veterans under the Per-
sonal Responsibility and Work Opportunity Reconciliation
Act of 1996.

Subchapter B—General Provisions

SEC. 5972. DETERMINATION OF TREATMENT OF BATTERED
ALIENS AS QUALIFIED ALIENS; INCLUSION
OF ALIEN CHILD OF BATTERED PARENT AS
QUALIFIED ALIEN.

(a) DETERMINATION OF STATUS BY AGENCY PROVIDING BENEFITS.—Section 431 of the Personal Respon-
sibility and Work Opportunity Reconciliation Act of 1996
(8 U.S.C. 1641) is amended in subsections (c)(1)(A) and
(c)(2)(A) by striking “Attorney General, which opinion is
not subject to review by any court)” each place it appears
and inserting “agency providing such benefits)”.

(b) GUIDANCE ISSUED BY ATTORNEY GENERAL.—
Section 431(c) of the Personal Responsibility and Work
1641(c)) is amended by adding at the end the following
new undesignated paragraph:

“After consultation with the Secretaries of Health
and Human Services, Agriculture, and Housing and
Urban Development, the Commissioner of Social Security, and with the heads of such Federal agencies administering benefits as the Attorney General considers appropriate, the Attorney General shall issue guidance (in the Attorney General's sole and unreviewable discretion) for purposes of this subsection and section 421(f), concerning the meaning of the terms 'battery' and 'extreme cruelty', and the standards and methods to be used for determining whether a substantial connection exists between battery or cruelty suffered and an individual's need for benefits under a specific Federal, State, or local program.”.

(c) INCLUSION OF ALIEN CHILD OF BATTERED PARENT AS QUALIFIED ALIEN.—Section 431(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1641(c)) is amended—

(1) at the end of paragraph (1)(B)(iv) by striking “or”;

(2) at the end of paragraph (2)(B) by striking the period and inserting “; or”; and

(3) by inserting after paragraph (2)(B) and before the last sentence of such subsection the following new paragraph:

“(3) an alien child who—

“(A) resides in the same household as a parent who has been battered or subjected to
extreme cruelty in the United States by that parent’s spouse or by a member of the spouse’s family residing in the same household as the parent and the spouse consented or acquiesced to such battery or cruelty, but only if (in the opinion of the agency providing such benefits) there is a substantial connection between such battery or cruelty and the need for the benefits to be provided; and

“(B) who meets the requirement of subparagraph (B) of paragraph (1).”.

(d) INCLUSION OF ALIEN CHILD OF BATTERED PARENT UNDER SPECIAL RULE FOR ATTRIBUTION OF INCOME.—Section 421(f)(1)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(f)(1)(A)) is amended—

(1) at the end of clause (i) by striking “or”;

and

(2) by striking “and the battery or cruelty described in clause (i) or (ii)” and inserting “or (iii) the alien is a child whose parent (who resides in the same household as the alien child) has been battered or subjected to extreme cruelty in the United States by that parent’s spouse, or by a member of the spouse’s family residing in the same household as
the parent and the spouse consented to, or acquiesced in, such battery or cruelty, and the battery or cruelty described in clause (i), (ii), or (iii)

SEC. 5973. VERIFICATION OF ELIGIBILITY FOR BENEFITS.

(a) Regulations and Guidance.—Section 432(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1642(a)) is amended—

(1) by inserting at the end of paragraph (1) the following: “Not later than 90 days after the date of the enactment of the Welfare Reform Technical Corrections Act of 1997, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall issue interim verification guidance.”; and

(2) by adding after paragraph (2) the following new paragraph:

“(3) Not later than 90 days after the date of the enactment of the Welfare Reform Technical Corrections Act of 1997, the Attorney General shall promulgate regulations which set forth the procedures by which a State or local government can verify whether an alien applying for a State or local public benefit is a qualified alien, a non-immigrant under the Immigration and Nationality Act, or an alien paroled into the United States under section 212(d)(5) of the Immigration and Nationality Act for less
than 1 year, for purposes of determining whether the alien is ineligible for benefits under section 411 of this Act.’.

(b) DISCLOSURE OF INFORMATION FOR VERIFICATION.—Section 384(b) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (division C of Public Law 104–208) is amended by adding after paragraph (4) the following new paragraph:

“(5) The Attorney General is authorized to disclose information, to Federal, State, and local public and private agencies providing benefits, to be used solely in making determinations of eligibility for benefits pursuant to section 431(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.”.

SEC. 5974. QUALIFYING QUARTERS: DISCLOSURE OF QUARTERS OF COVERAGE INFORMATION; CORRECTION TO ASSURE THAT CREDITING APPLIES TO ALL QUARTERS EARNED BY PARENTS BEFORE CHILD IS 18.

(a) DISCLOSURE OF QUARTERS OF COVERAGE INFORMATION.—Section 435 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1645) is amended by adding at the end the following: “Notwithstanding section 6103 of the Internal Revenue Code of 1986, the Commissioner of Social Security
1 is authorized to disclose quarters of coverage information
2 concerning an alien and an alien’s spouse or parents to
3 a government agency for the purposes of this title.”.

(b) CORRECTION TO ASSURE THAT CREDITING AP-
5 PLIES TO ALL QUARTERS Earned BY PARENTS Before
6 Child is 18.—Section 435(1) of the Personal Respon-
7 sibility and Work Opportunity Reconciliation Act of 1996
8 (8 U.S.C. 1645(1)) is amended by striking “while the alien
9 was under age 18,” and inserting “before the date on
10 which the alien attains age 18,”.

SEC. 5975. STATUTORY CONSTRUCTION: BENEFIT ELIGI-
12 BILITY LIMITATIONS APPLICABLE ONLY
13 WITH RESPECT TO ALIENS PRESENT IN THE
14 UNITED STATES.

Section 433 of the Personal Responsibility and Work
17 is amended—
18 (1) by redesignated subsections (b) and (e) as
19 subsections (c) and (d); and
20 (2) by adding after subsection (a) the following
21 new subsection:
22 “(b) BENEFIT ELIGIBILITY LIMITATIONS APPLICABLE
23 ONLY WITH RESPECT TO ALIENS PRESENT IN THE
24 UNITED STATES.—Notwithstanding any other provision
25 of this title, the limitations on eligibility for benefits under
this title shall not apply to eligibility for benefits of aliens who are not residing, or present, in the United States with respect to—

"(1) wages, pensions, annuities, and other earned payments to which an alien is entitled resulting from employment by, or on behalf of, a Federal, State, or local government agency which was not prohibited during the period of such employment or service under section 274A or other applicable provision of the Immigration and Nationality Act; or

"(2) benefits under laws administered by the Secretary of Veterans Affairs."

Subchapter C—Miscellaneous Clerical and Technical Amendments; Effective Date

SEC. 5976. CORRECTING MISCELLANEOUS CLERICAL AND TECHNICAL ERRORS.

(a) INFORMATION REPORTING UNDER TITLE IV OF THE SOCIAL SECURITY ACT.—Effective July 1, 1997, section 408 of the Social Security Act (42 U.S.C. 608), as amended by section 5903, and as in effect pursuant to section 116 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and as amended by section 5906(e) of this Act, is amended by adding at the end the following new subsection:
“(f) STATE REQUIRED TO PROVIDE CERTAIN INFORMATION.—Each State to which a grant is made under section 403 shall, at least 4 times annually and upon request of the Immigration and Naturalization Service, furnish the Immigration and Naturalization Service with the name and address of, and other identifying information on, any individual who the State knows is not lawfully present in the United States.”.

(b) MISCELLANEOUS CLERICAL AND TECHNICAL CORRECTIONS.—

(1) Section 411(e)(3) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1621(c)(3)) is amended by striking “4001(e)” and inserting “401(e)”.

(2) Section 422(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1632(a)) is amended by striking “benefits (as defined in section 412(c)),” and inserting “benefits,”.

(3) Section 412(b)(1)(C) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1622(b)(1)(C)) is amended by striking “with-holding” and inserting “withholding”.

(4) The subtitle heading for subtitle D of title IV of the Personal Responsibility and Work Oppor-
SEC. 5977. EFFECTIVE DATE.

Except as otherwise provided, the amendments made by this chapter shall be effective as if included in the enactment of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
A BILL

To provide for reconciliation pursuant to section 104(a) of the concurrent resolution on the budget for fiscal year 1998.

JUNE 20, 1997
Read twice and placed on the calendar
AMENDMENTS SUBMITTED

THE BALANCED BUDGET ACT OF 1997

DODD AMENDMENT NO. 423
(Ordered to lie on the table.)

Mr. DODD submitted an amendment intended to be proposed by him to the bill, S. 947, to provide for reconciliation pursuant to section 104(a) of the concurrent resolution on the budget for fiscal year 1998; as follows:

On page 874, between lines 7 and 8, insert the following:

SEC. 5817A. CONTINUATION OF MEDICAID ELIGIBILITY FOR DISABLED CHILDREN WHO LOSE SSI BENEFITS.

(a) IN GENERAL.—Section 1902(a)(10)(A)(i)(II) (42 U.S.C. 1396a(a)(10)(A)(i)(II)) is amended by inserting "(or were being paid as of the date of enactment of section 211(a) of the Personal Responsibility and Work Opportunity Act of 1996 (Public Law 104-193; 110 Stat. 2188) and would continue to be paid but for the enactment of that section)" after "title XVI".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to medical assistance furnished on or after July 1, 1997.

S6251

HUTCHISON (AND SANTORUM) AMENDMENT NO. 446

Mrs. HUTCHISON (for herself and Mr. SANTORUM) proposed an amendment to the bill, S. 947, supra; as follows:

At the end of title I, add the following:

SEC. 10. DENIAL OF FOOD STAMPS FOR PRISONERS.

(a) STATE PLANS.—

(I) IN GENERAL.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended by striking paragraph (20) and inserting the following:

"(20) that the State agency shall establish a system and take action on a periodic basis—

(A) to verify and otherwise ensure that an individual does not receive coupons in more than 1 jurisdiction within the State; and

(B) to verify and otherwise ensure that an individual who is placed under detention in a Federal, State, or local penal, correctional, or other detention facility for more than 30 days shall not be eligible to participate in the food stamp program as a member of any household, except that—

(i) the Secretary may determine that extraordinary circumstances make it impracticable for the State agency to obtain information necessary to discontinue inclusion of the individual; and

(ii) a State agency that obtains information collected under section 1611(c)(1)(I)(i)(I) of the Social Security Act (42 U.S.C. 1382(c)(1)(I)(i)(I)) through an agreement under section 1611(c)(1)(I)(ii)(I) of that Act (42 U.S.C. 1382(c)(1)(I)(ii)(I)), or under another program determined by the Secretary to be comparable to the program carried out under that section, shall be considered in compliance with this subparagraph.

(ii) NO IN-KIND CONTRIBUTIONS—The non-Federal share of a grant under this paragraph shall be 50 percent.

(iii) to design the collaborative effort to reach large numbers of food stamp participants and other low-income households; and

(iv) the Secretary may determine that extraordinary circumstances make it impracticable for the State agency to obtain information necessary to discontinue inclusion of the individual; and

(v) a State agency that obtains information collected under section 1611(c)(1)(I)(i)(I) of the Social Security Act (42 U.S.C. 1382(c)(1)(I)(i)(I)) through an agreement under section 1611(c)(1)(I)(ii)(I) of that Act (42 U.S.C. 1382(c)(1)(I)(ii)(I)), or under another program determined by the Secretary to be comparable to the program carried out under that section, shall be considered in compliance with this subparagraph.

(2) LIMITS ON DISCLOSURE AND USE OF INFORMATION.—Section 11(e)(B)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(B)(E)) is amended by striking "paragraph (16)" and inserting "paragraph (16) or (20)(B)".

(3) EFFECTIVE DATE.—Except as provided in subparagraph (B), the amendments made by this subsection shall take effect on the date that is 1 year after the date of enactment of this Act.

(B) EXTENSION.—The Secretary of Agriculture may grant a State an extension of time to comply with the amendments made by this subsection, not to exceed beyond the date that is 2 years after the date of enactment of this Act, if the chief executive officer of the State submits a request for the extension to the Secretary—

(i) stating the reasons why the State is not able to comply with the amendments made by this subsection by the date that is 1 year after the date of enactment of this Act;

(ii) providing evidence that the State is making a good faith effort to comply with the amendments made by this subsection as soon as practicable; and

(iii) detailing a plan to bring the State into compliance with the amendments made by this subsection as soon as practicable and not later than the date of the requested extension.

(b) INFORMATION SHARING.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020(l)) is amended by adding at the end the following:

"(q) DENIAL OF FOOD STAMPS FOR PRISONERS.—The Secretary shall assist States, to the maximum extent practicable, in implementing a system to conduct computer matches or other systems to prevent prisoners described in section 11(e)(20)(B) from receiving food stamp benefits."

SEC. 10. NUTRITION EDUCATION.

Section 11(f) of the Food Stamp Act of 1977 (7 U.S.C. 2020(f)) is amended—

(i) by striking "(f) To encourage" and inserting the following:

"(f) NUTRITION EDUCATION.—

(1) IN GENERAL.—To encourage: and

(2) GRANTS.—

(A) IN GENERAL.—The Secretary shall make available not more than $600,000 for each of fiscal years 1998 through 2001 to pay the Federal share of grants made to eligible private nonprofit organizations and State agencies to carry out subparagraph (B).

(B) ELIGIBILITY.—A private nonprofit organization or State agency eligible to receive a grant under subparagraph (A) if the organization or agency agrees—

(i) to use the funds to direct a collaborative effort to coordinate and integrate nutrition education into health, nutrition, social service, and food distribution programs for food stamp participants and other low-income households; and

(ii) to design the collaborative effort to reach large numbers of food stamp participants and other low-income households through a network of organizations, including schools, child care centers, farmers’ markets, health clinics, and outpatient education services.

(C) PREFERENCE.—In deciding between 2 or more private nonprofit organizations or State agencies that are eligible to receive a grant under subparagraph (B), the Secretary shall give a preference to an organization or agency that conducted a collaborative effort described in subparagraph (B) and received funding for the collaborative effort from the Secretary before the date of enactment of this paragraph.

(D) FEDERAL SHARE.—

(i) in general.—Subject to subparagraph (E), the Federal share of a grant under this paragraph shall be 50 percent.

(ii) no in-kind contributions.—The non-Federal share of a grant under this paragraph shall be in cash.

(iii) private funds.—The non-Federal share of a grant under this paragraph may include amounts from private nongovernmental sources.

(E) LIMIT ON INDIVIDUAL GRANT.—A grant under subparagraph (A) may not exceed $25,000 for a fiscal year."
Mr. DURBIN (for himself, Mr. WELLSTONE, and Mrs. BOXER) proposed an amendment to the bill, S. 947, supra; as follows:

At the end of title I, add the following:

SEC. 10. FOOD STAMP BENEFITS FOR CHILD IMMIGRANTS.

(a) In General.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding at the end the following:

'(E) CHILD IMMIGRANTS.—In the case of the program specified in paragraph (3)(B), paragraph (1) shall not apply to a qualified alien who is under 18 years of age.'.

(b) Allocation of Administrative Costs.—Section 408(a) of the Social Security Act (42 U.S.C. 608(a)) is amended by adding at the end the following:

'(12) DESIGNATION OF GRANTS UNDER THIS PART AS PRIMARY PROGRAM IN ALLOCATING ADMINISTRATIVE COSTS.—

'(A) IN GENERAL.—Notwithstanding any other provision of law, a State shall designate the program funded under this part as the primary program for the purpose of allocating costs incurred in serving families eligible or applying for benefits under the State program funded under this part and any other Federal means-tested benefits.

'(B) ALLOCATION OF COSTS.—

'(i) IN GENERAL.—The Secretary shall require that costs described in subparagraph (A) be allocated in the same manner as the costs were allocated by State agencies that designated part A of title IV as the primary program for the purpose of allocating administrative costs before August 22, 1996.

'(ii) FLEXIBLE ALLOCATION.—The Secretary may allocate costs under clause (i) differently, if a State can show good cause for or evidence of increased costs, to the extent that the administrative costs allocated to the primary program are not reduced by more than 33 percent.

'(13) FAILURE TO ALLOCATE ADMINISTRATIVE COSTS TO GRANTS PROVIDED UNDER THIS PART.—If the Secretary determines that, with respect to a preceding fiscal year, a State has not allocated administrative costs in accordance with paragraph (12), the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the succeeding fiscal year by an amount equal to—

'(A) the amount the Secretary determines should have been allocated to the program funded under this part in such preceding fiscal year; minus

'(B) the amount that the State allocated to the program funded under this part in such preceding fiscal year.'.
Mr. DOMENICI (for Mr. McCAIN, for himself and Mr. KERRY) proposed an amendment to the bill, S. 947, supra: as follows:

At the end of the section, add the following:

"(D) An alien described in section 402(a)(2)(A)(iv)."

\[\text{---\text{S6257---}}\]

BROWNBACK (AND KOHL) AMENDMENT NO. 464

Mr. DOMENICI (for Mr. BROWNBACK, for himself and Mr. KOHL) proposed an amendment to the bill, S. 947, supra: as follows:

At the end of the section, add the following:

"(D) An alien described in section 402(a)(2)(A)(iv)."

\[\text{---\text{S6257---}}\]

McCain (AND KERRY) AMENDMENT NO. 461

Mr. DOMENICI (for Mr. McCAIN, for himself and Mr. KERRY) proposed an amendment to the bill, S. 947, supra: as follows:

On page 874, between lines 7 and 8, insert the following:

SEC. 5817A. TREATMENT OF CERTAIN AMERASIAN IMMIGRANTS AS REFUGEES.

(a) AMENDMENTS TO EXCEPTIONS FOR REFUGEES/ASYLUM.


(A) by striking ".; or" at the end of clause (i);

(B) by striking the period at the end of clause (ii) and inserting ".; or"; and

(C) by adding at the end the following:


(A) by striking ".; or" at the end of clause (ii);

(B) by striking the period at the end of clause (iii) and inserting "; or"; and

(C) by adding at the end the following:

"(iv) an alien described in subsection (a)(2)(A)(iv) until 5 years after the date of such alien's entry into the United States.

(iii) FOR PURPOSES OF EXCEPTION FROM 3-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS.—Section 403(b)(1) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(b)(1)) is amended by adding at the end the following:

"(D) An alien described in section 402(a)(2)(A)(iv)."

(iv) FOR PURPOSES OF CERTAIN STATE PROGRAMS.—Section 412(b)(1) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1822(b)(1)) is amended by adding at the end the following new subparagraph:
(1) that actual outlays for direct spending in the prior fiscal year exceeded the applicable direct spending target; or

(2) that outlays for direct spending for the current or budget year are projected to exceed the applicable direct spending targets,

the President shall include in his budget a special direct spending message meeting the requirements of subsection (b).

(b) CONTENTS.—

(1) INCLUSIONS—The special direct spending message shall include—

(A) an analysis of the variance in direct spending over the direct spending targets; and

(B) the President's recommendations for addressing the direct spending overages, if any, in the prior, current, or budget year.

(2) ADDITIONAL MATTERS.—The President's recommendations may consist of any of the following:

(A) Proposed legislative changes to recoup or eliminate the overage for the prior, current, and budget years in the current year, the budget year, and the 4 outyears.

(B) Proposed legislative changes to recoup or eliminate part of the overage for the prior, current, and budget year in the current year, the budget year, and the 4 outyears, accompanied by a finding by the President that, because of economic conditions or for other specified reasons, only some of the overage should be recouped or eliminated by outlay reductions or revenue increases, or both.

(C) A proposal to make no legislative changes to recoup or eliminate any overage, accompanied by a finding by the President that, because of economic conditions or for other specified reasons, no legislative changes are warranted.

(c) PROPOSED SPECIAL DIRECT SPENDING RESOLUTION.—If the President recommends reductions consistent with subsection (b)(2)(A) or (B), the special direct spending message shall include the text of a special direct spending resolution implementing the President's recommendations through reconciliation directives instructing the appropriate committees of the House of Representatives and Senate to determine and recommend changes in laws within their jurisdictions. If the President recommends no reductions pursuant to (b)(2)(C), the special direct spending message shall include the text of a special resolution concurring in the President's recommendation of no legislative action.

SEC. 06. RELATIONSHIP TO BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT.

Reductions in outlays or increases in receipts resulting from legislation reported pursuant to section 05 shall not be taken into account for purposes of any budget enforcement procedures under the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 07. ESTIMATING MARGIN.

For any fiscal year for which the overage is less than one-half of 1 percent of the direct spending target for that year, the procedures set forth in sections 04 and 05 shall not apply.

SEC. 08. EFFECTIVE DATE.

This title shall apply to direct spending targets for fiscal years 1998 through 2002 and shall expire at the end of fiscal year 2002.
LAUTENBERG AMENDMENT NO. 475

Mr. LAUTENBERG proposed an amendment to the bill, S. 947, supra; as follows:

AMENDMENT NO. 475
(Purpose: to ensure that certain legal immigrants who become disabled are eligible for disability benefits)

On page 8971, strike line 9-11.

DURBIN (AND OTHERS) AMENDMENT NO. 477

Mr. LAUTENBERG (for Mr. DURBIN, for himself, Mr. WELLSTONE, and Mrs. BOXER) proposed an amendment to the bill, S. 947, supra; as follows:

At the end of title I, add the following:

SEC. 10. FOOD STAMP BENEFITS FOR CHILD IMMIGRANTS.

(a) IN GENERAL.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 1612(a)(2)) is amended by adding at the end the following:

"(E) CHILD IMMIGRANTS.—In the case of the program specified in paragraph (3)(B), paragraph (l) shall not apply to a qualified alien who is under 18 years of age."

(b) ALLOCATION OF ADMINISTRATIVE COSTS.—Section 408(a) of the Social Security Act (42 U.S.C. 608(a)) is amended by adding at the end the following:

"(1) DESIGNATION OF GRANTS UNDER THIS PART AS PRIMARY PROGRAM IN ALLOCATING ADMINISTRATIVE COSTS—

"(A) IN GENERAL.—Notwithstanding any other provision of law, a State shall designate the program funded under this part as the primary program for the purpose of allocating costs incurred in serving families eligible or applying for benefits under the State program funded under this part and any other Federal means tested benefits.

"(B) ALLOCATION OF COSTS.—

"(i) IN GENERAL.—The Secretary may allocate costs under clause (i) differently, if a State can show good cause for or evidence of increased costs, to the extent that the administrative costs allocated to the primary program are not reduced by more than 33 percent.

"(ii) FLEXIBLE ALLOCATION.—The Secretary may allocate costs under clause (i) differently, if a State can show good cause for or evidence of increased costs, to the extent that the administrative costs allocated to the primary program are not reduced by more than 33 percent.

"(iii) FAILURE TO ALLOCATE ADMINISTRATIVE COSTS TO GRANTS PROVIDED UNDER THIS PART.—If the Secretary determines that, with respect to a preceding fiscal year, a State has not allocated administrative costs in accordance with paragraph (12), the Secretary shall reduce the grant payable to the State under section 403(a)(l) for the succeeding fiscal year by an amount equal to——

"(A) the amount the Secretary determines should have been allocated to the program funded under this part in such preceding fiscal year; minus

"(B) the amount that the State allocated to the program funded under this part in such preceding fiscal year.".

DODD AMENDMENT NO. 479

Mr. LAUTENBERG (for Mr. DODD) proposed an amendment to the bill, S. 947, supra; as follows:

On page 874, between lines 7 and 8, insert the following:

SEC.5817A. CONTINUATION OF MEDICAID ELIGIBILITY FOR DISABLED CHILDREN WHO LOSE SSI BENEFITS.

(a) IN GENERAL.—Section 1902(a)(10)(A)(i)(II) (42 U.S.C. 1396a(a)(10)(A)(i)(II)) is amended by inserting "(or were being paid as of the date of enactment of section 211(a) of the Personal Re-
tion §601, insert the following: "The benefits shall include additional benefits to meet the needs of children with special needs, including—

(A) rehabilitation and habilitation services, including occupational therapy, physical therapy, speech and language therapy, and respiratory therapy services;

(B) mental health services;

(C) personal care services;

(D) customized durable medical equipment, orthotics, and prosthetics, as medically necessary; and

(E) case management services.

With respect to FEHBP-equivalent children's health insurance coverage, services otherwise covered under the coverage involved that are medically necessary to maintain, improve, or prevent the deterioration of the physical, developmental, or mental health of the child may not be limited with respect to scope and duration, except to the degree that such services are not medically necessary. Nothing in the preceding sentence shall be construed to prevent FEHBP-equivalent children's health insurance coverage from utilizing appropriate utilization review techniques to determine medical necessity or to prevent the delivery of such services through a managed care plan.".

AMENDMENT NO. 493

On page 874, between lines 7 and 8, insert the following:

SEC. 5817A. SSI ELIGIBILITY FOR SEVERELY DISABLED ALIENS.

Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)), as amended by section 5815, is amended by adding at the end the following:

"(I) SSI EXCEPTION FOR SEVERELY DISABLED ALIENS.—With respect to eligibility for benefits for the program defined in paragraph (3) (A) (relating to the supplemental security income program), paragraph (1), and the September 30, 1997 application deadline under subparagraph (G), shall not apply to any alien who is lawfully present in the United States and who has been denied approval of an application for naturalization by the Attorney General solely on the ground that the alien is so severely disabled that the alien is otherwise unable to satisfy the requirements for naturalization."

CONRAD AMENDMENT NO. 494

Mr. LAUTENBERG (for Mr. CONRAD) proposed an amendment to the bill, S. 947, supra; as follows:

On page 874, between lines 7 and 8, insert the following:

SEC. 5817A. CONTINUATION OF MEDICAID ELIGIBILITY FOR DISABLED CHILDREN WHO LOSE SSI BENEFITS.

In general.—Section 1902(a)(10)(A)(i)(II) (42 U.S.C. 1396a(a)(10)(A)(i)(II)) is amended by inserting "or were being paid as of the date of enactment of section 211(a) of the Personal Responsibility and Work Opportunity Act of 1996 (Public Law 104–193; 110 Stat. 2188) and would continue to be paid but for the enactment of that section)" after "title XVI".

(b) Offset.—Section 2103(b) of the Social Security Act (as added by section 5801) is amended—

(1) in paragraph (2), by striking "and" at the end;

(2) in paragraph (3), by striking the period and inserting ": and"; and

(3) by adding at the end the following:

"(4) the amendment made by section 5817A(a) of the Balanced Budget Act of 1997 (relating to continued eligibility for certain disabled children)."
DOMENICI AMENDMENT NO. 499

Mr. DOMENICI proposed an amendment to the bill, S. 947, supra; as follows:

Strike sections 5811 through 5814 and insert the following:

SEC. 5812. EXTENSION OF ELIGIBILITY PERIOD FOR REFUGEES AND CERTAIN OTHER QUALIFIED ALIENS FROM 5 TO 7 YEARS FOR SSI AND MEDICAID.

(a) SSI.—Section 402(a)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A)) is amended to read as follows:

"(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

"(I) SSI.—With respect to the specified Federal program described in paragraph (3)(A), paragraph 1 shall not apply to an alien until 7 years after the date—

"(i) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act; and

"(ii) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act.

(b) MEDICAID.—Section 402(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)(A)) is amended to read as follows:

"(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

"(I) MEDICAID.—With respect to the designated Federal program described in paragraph (3)(C), paragraph 1 shall not apply to an alien until 7 years after the date—

"(i) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act; and

"(ii) an alien is granted asylum under section 208 of such Act.

"(II) an alien is granted asylum under section 208 of such Act; or

"(III) an alien's deportation is withheld under section 243(h) of such Act.

"(II) OTHER DESIGNATED FEDERAL PROGRAMS.—With respect to the designated Federal programs under paragraph (3) (other than subparagraph (C)), paragraph 1 shall not apply to an alien until 5 years after the date—

"(i) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act; and

"(ii) an alien is granted asylum under section 208 of such Act.

"(III) an alien's deportation is withheld under section 243(h) of such Act.

"(III) STATUS OF CUBAN AND HAITIAN ENTRANTS.—For purposes of sections 402(a)(2) and 402(b)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2), (b)(2)(A)), an alien who is a Cuban and Haitian entrant, as defined in section 501(e) of the Refugee Education Assistance Act of 1980, shall be considered a refugee.

SEC. 5813. SSI ELIGIBILITY FOR PERMANENT RESIDENT ALIENS WHO ARE MEMBERS OF AN INDIAN TRIBE.

Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) (as amended by section 5811) is amended by adding at the end the following:

"(F) PERMANENT RESIDENT ALIENS WHO ARE MEMBERS OF AN INDIAN TRIBE.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to an alien who—

"(i) is lawfully admitted for permanent residence under the Immigration and Nationality Act; and

"(ii) is a member of an Indian tribe as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act.

SEC. 5814. SSI ELIGIBILITY FOR DISABLED LEGAL ALIENS IN THE UNITED STATES ON AUGUST 22, 1996.

(a) Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) (as amended by section 5813) is amended by adding at the end the following:

"(G) SSI ELIGIBILITY FOR DISABLED ALIENS.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply—

"(i) to an alien who—

"(I) is lawfully residing in any State on August 22, 1996; and

"(II) is disabled, as defined in section 1614(a)(3) of the Social Security Act (42 U.S.C. 1382c(a)(3)); or

"(iii) is of 1 as of June 1, 1997, is receiving benefits under such program.

"(ii) to an alien who—

"(I) is lawfully residing in any State after such date;

"(II) is disabled (as so defined); and

"(III) as of June 1, 1997, is receiving benefits under such program.

(b) Funds shall be made available for not to exceed 2 years for elderly SSI recipients made ineligible for benefits after August 22, 1996.
SENATE DEBATE

JUNE 23, 1997
The PRESIDING OFFICER. The Senate will now proceed to the consideration of S. 947, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 947) to provide for reconciliation pursuant to section 104(a) of the concurrent resolution on the budget for the fiscal year 1998.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I suggest the absence of a quorum, and I ask that the time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Parliamentary inquiry, Mr. President. I understand we are on the reconciliation bill?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. Time has been running?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. How much time has run?

The PRESIDING OFFICER. Thirty minutes.

Mr. DOMENICI. I understand that the leadership has indicated there will be no votes today, which does not mean there will not be amendments offered. We hope that we will take a few amendments and debate them and then put them over in some stacked regime for tomorrow.

I also understand there are 20 hours of debate equally divided on this bill. Is that correct?

The PRESIDING OFFICER. That is correct.
Mr. DOMENICI. And that there is also an agreement between the leaders that we will use 10 hours of that 20 today before we recess. So I think that sort of sets the stage for those who are interested in attempting to modify the bill before us.

I have a couple of technical consents. My President, I ask unanimous consent that the presence and use of small electronic computers be permitted on the floor during the debate and discussions on this measure.

THE PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the following staff of the Budget Committee be permitted to remain on the Senate floor during consideration of S. 947 and the list be printed in the RECORD. This list contains both the majority and minority.

THE PRESIDING OFFICER. Without objection, it is so ordered.

The list is as follows:

MAJORITY STAFF
Victor Block, Scott Burnison, Amy Call, Jim Capretta, Lisa Cieplak, Kay Davies, Karl Ewert, Beth Felder, Alice Grant, Jim Hearn, Bill Hoagland, Carole McGuire, Anne Miller, Mieko Nakabayashi, Cheri Keidy, Ricardo Rel. Karen Ricoy, Brian Riley, Mike Ruffner, Andrea Shank, Amy Smith, Austin Smythe, Bob Stevenson, Donlad Marc (Javits) Sumerlin, Winslow Wheel-

MINORITY STAFF
Amy Pecck Abraham, Matt Greenwald, Phil Karsting, Bruce King, Jim Klumpner, Sander Lurie, Daniela Mays, Martin S. Morris, Sue Nelson, Jon Rosenwater, Barry Strumpf, Mitchell S. Warren.

Mr. DOMENICI. Mr. President, in addition, we have two others we want to have full access to the floor. I ask unanimous consent the privilege of the floor be granted to Austin Smythe and Anne Miller during the pendency of S. 947 on the day of Monday, June 23.

THE PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, might I inquire, am I correct in assuming that Senator ROTH and Senator MÖNHAN intend to come to the floor early this afternoon with a modification, an amendment?

Mr. LAUTENBERG. We have heard that Senator MÖNHAN will be here, as will, I assume, Senator ROTH, at about 1:30.

Mr. DOMENICI. That might be the first matter we take up, I understand, since it is the chairman and ranking member.

Mr. LAUTENBERG. That could be correct.

Mr. DOMENICI. What I would like to do is make a few opening remarks, yield to my friend and colleague Senator LAUTENBERG, and see where it turns out.

Today the Senate begins consideration of S. 947, the Balanced Budget Act of 1997. Some people wonder, when we had the debate and told the Amer-

ican people that we finally had reached an agreement, 5 years in duration, that would get us to a balanced budget, some people wanted us to tell them precisely what the agreement contemplated when, as a matter of fact, the agreement covered only a portion of what must be done by Congress. There was a resolution which was taken up on the Senate floor. During the discussion of that budget reso-

lution, people would ask questions like, "What changes are there going to be in Medicare to make it solvent for the 10 years that are being promised?" They might ask the question, "What is going to happen to Medicaid under this budget proposal and this agreement?"

Frankly, for the most part, we told them what we knew and we told them, that, in due course, a piece of legisla-

tion would be coming through that would change various laws of the land and mandate cuts. The savings required over the first 5 years and estimated over 10. And now, today, to put it into perspective and so the process is understood better, the committees that were charged under that budget resolution to do things—for the first time, a collection of programs within their jurisdiction, within their authority; in a couple of in-

stances they were asked to increase slightly, the expenditures—essentially those committees, eight in number, have done their work and now what we have is a law and could be, that is a bill, not a budget resolution.

The bill before us is a very special bill. It is called a reconciliation bill. That is significant in the U.S. Senate, more significant than in the House, because in the U.S. Senate this proposed legislation is the most generous parliamentarian rules that we adopted and par-

liamentary interpretations. We are free to offer numerous amendments, extraneous amendments to the bill.

In any event, Members now are fa-

miliar enough that they do go ask for some assistance before they up and offer an amendment to just change this bill because it requires 60 votes to pass it. So, the law set down how filibusters. So you see right off, when I asked the ques-

tion, is it not correct that there are 20 hours of debate on this bill?—and the Parliamentarian answered yes—that is the most generous parliamentarian rules that we adopted and par-

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money that will have to be kept within the limits prescribed in this agreement and also will have to provide some priority to the economic agreement between the President and Congress for matters that pertain to crime, education, and about 13 different items. Some are small, some are large. We have to try to put those in their appropriate place in the appropriations bills.

So, I characterize this as the first leg because the historic agreement, to be fully implemented, requires changes in both the entitlement spending and changes to our tax laws and, also, limits on the annual appropriations spending account.

Obviously, it is complex. I do not know if we could get anywhere near where we are if we did not have these bills, which are privileged, as I indicated, for many of them would go on in debate for 3 or 4 weeks and many of them would be so burdened down with amendments that you would not recognize the bill, and, thereby, finished. So, we are ready to take the cumbersome nature of it all and work as hard as we can so that by September 1 we have all three legs completed and perhaps the procedural changes that we must get to enforce it, which will come along here shortly, and thus be where we ought to be to recommit to the public we are on a path to a balanced budget.

Last week these committees of the Congress completing this bill, this first leg, were quietly adopting spending limits established in the agreement for the upcoming fiscal year. Later in the debate on this reconciliation bill, I will offer an amendment, hopefully with my ranking member, Senator LAUTENBERG, to establish appropriation limits for the next 5 years as required by the agreement. I understand Senator LAUTENBERG is working on that. We will try to work together on that.

So, before the week is out, the Senate, in rapid succession, will have built the three legs of the stool necessary to carry out the bipartisan agreement which we negotiated over a period, generally now understood to be as long as 5 months of negotiating. Among those three legs, first the entitlement spending bill is before us today and, I repeat, immediately after it the second reconciliation bill, the second leg, will be brought up and then in due course the appropriations. When completed into law and signed by the President—and I am hopeful the two reconciliation bills will be, and I am hopeful that before September 1 arrives we will have passed all the appropriate bills, thus enabling Government to operate for another year—what we will have is we will have set about to balance the Federal budget by 2002.

If that works, and I have no reason to believe it will not, it will be the first such accomplishment since 1969. Reducing Federal spending compared to current Federal spending projections, spending will slow by nearly $290 billion over the next 5 years. And if the reform policies we adopt this week continue unchanged, we will have reduced Federal spending by nearly 1 trillion over the next years. Counting the debt service that we will not have to make because of reduced borrowing. Changing the scope of spending measured by the size of a growing economy resulting from this balanced budget plan, Federal spending will decline from 20.8 percent in 1998 to 18.9 percent in 2002.

Frankly, when I started, in 1974, as a member of the Budget Committee, I really was skeptical as to whether we would ever break this 20 or 21 percent of spending versus the gross domestic product. We will be down to 18.9 when this budget agreement is fully implemented. Again, that will be the lowest level since 1974, and, more important, 52 percent of the 5-year savings will be derived from reduced entitlement growth, particularly through the reforms and changes made to Medicare and Social Security. Furthermore, in particular, on Medicare, to avoid the bankruptcy of that program.

Funding priority programs will achieve balance in 2002, and the agreement does assume some directing of our limited Federal resources to priority programs, such as children's health, assistance to disabled citizens, education, environment, transportation, law enforcement, and international affairs.

Reducing Federal taxes. When we complete the second reconciliation bill, the third leg, we will have achieved the goal of reducing taxes on American families and businesses to provide incentives, savings and investments and to provide relief for families with education expenses.

Enforcing the agreement, when we finally complete work this week, will be extended and strengthened because we are going to add to the Budget Enforcement Act of 1990 and give the American people assurances—as sure as we can—that we will live by these decisions. Because to break any of these caps over the next 5 years will require a waiver of this agreement and will require a supermajority of 60 votes.

So, Mr. President, I say to fellow Senators, in short, this could turn out to be a very busy and, hopefully, a very successful week. It will be a week in which the fiscal policy decisions we make will resonate for many years to come. As it relates to the immediate bill before us, I thank the eight committees, their chairmen and ranking members, for acting as quickly as they did to report to the Budget Committee their legislative pieces which will carry out the agreement.

The legislation before us is, in very large part, consistent with the agreement. However, in a few areas, the legislation does not comport with the agreement. An argument can be made that certain provisions are inconsistent with the agreement. Obviously, we will work on those over the next 2 days. Under the Budget Act, the Budget Committee could only bundle the eight committees and the language for this report, and I quote from the statute, "without any substantive revision."

It falls to the leadership and us in the full Senate to attempt, where necessary, and to the extent the rules of the Senate permit, to make changes that might result in an amendment made consistent with the agreement and, I also want to mention, to the extent it is not totally inconsistent in some areas. There is one additional opportunity to fix it, and that will be when we go to conference with the House. They will be working on their bills simultaneously with this, and they will be off the mark in a few areas. When we go to conference, we will attempt to reconcile those differences and make them as consistent with the agreement as possible.

I remind all Senators and their staffs again, that this bill is on a special fast track, as I have alluded to. It is actually the paramount special fast track legislation provided for in the laws and rules of the Senate. So amending can be tricky. I have already indicated that germaneness and not being extraneous are very important, and you can violate those standards only with 60 votes.

So over the next 20 hours allowed on this legislation, I anticipate we will have four broad areas of amendments, and not all will be germane and probably many will be extraneous, but regardless, we will need to consider, first, as I mentioned earlier, the agreement calls for enforcement under the strict rules of the reconciliation budget process. Enforcement could not be considered in the committee. Any enforcement legislation similar to 1990 and 1997 also need to be brought to the floor. The joint Budget Committee staffs and the administration officials have been preparing such an amendment, and other Senators will probably also offer their amendments to enforce the agreement.

Second, there will be a group of amendments that may need to be considered to bring legislative language into compliance. I will work with the leadership and the affected committee chairmen and ranking members to bring these amendments in a necessary and consistent with the agreement.

Third, the legislation before us falls short of the deficit reduction target assumed in the agreement. It may be necessary to consider some amendment that would bring the legislation before us into compliance, or modifications to the agreement will have to be considered.

Finally, the legislation before us includes provisions on which the agreement was silent. Some of these in the Medicare area have been controversial, such as means testing of the Medicare deductible or gradually increasing the age when individuals will be eligible for Medicare. I am sure we will have
June 23, 1997

CONGRESSIONAL RECORD—SENATE

S6061

The PRESIDING OFFICER. The Chair recognizes the Senator from New Jersey, Mr. LAUTENBERG.

Mr. LAUTENBERG addressed the Chair.

I thank the Chair, and I thank the Senators for listening. I yield the floor at this point.

Mr. LAUTENBERG. The bipartisan budget agreement had some dramatic declines in the deficits. Our unemployment is at a low point in decades. America is very competitive. We are sending out the kind of high-valued products that we like to see being shipped to other countries, in terms of international commerce. We have the lowest deficit to GDP ratio of all the countries in the world, running around 1.5 percent, the envy of almost every nation on this globe. Our ratio of taxes to GDP is the lowest of any nation on the globe. We are talking about large societies, advanced societies.

We just saw completion of the gathering of the heads of government in Denver, eight countries, including ours, in which I guess America boasted a little bit because we have been leading the way. Countries that were so envied for so many years, like Germany and Japan, are trying to figure out how we did it and with a tax base that enables people certainly to succeed, acquire, in some cases, incredible fortunes far larger than we ever dreamed possible.

There used to be a time in America when if someone was a billionaire, that was a stand-out person. It is not all inflation, but today they are counting billionaires and multibillionaires. There is, in essence, after so many years of America going into the corporate world, from whence I came, and work a few years with a company and walk out with $20 million, $50 million, some people being paid $25 million a year on a regular routine.

It is quite incredible and quite different, by the way, than the guy who works hard every day and tries to support his family and thinks about where he is, whether his kids are going to be able to get an education so they can move up the economic ladder. He worries about the future of his family and the budget agreement is there when I am ready to retire?" "Will I be able to give a hand to my mother if she falls sick beyond the capacity of the system as it is presently designed to take care of her?"

"Will I be able to continue to live on a little plot of land and maintain my home, our home?" Or, "Will my wife and I have to work shifts so that she can be home when I am not, and vice versa, to take care of our kids?"

That is the picture we see in America today, with all the good results. People at the top are doing very, very well, and people at the bottom are doing slightly better but still very worried.

The price of a college education, the opportunity for the kind of jobs that can sustain a family—it is quite different in the two approaches.

So, Mr. President, when we look at a bill like this which we will be considering very soon, the tax consequences of our deliberation—and we will be running into some difficult discussions here, because I know a lot of my colleagues are worried about tax breaks for those who don't need them and tax opportunities for those who do.

Today, we are talking about the first of the two reconciliation bills, this one called the tax bill. Senator DOMENICI went through some explanatory statements to let people understand what it is about this arcane system of ours—frankly, it is a mystery to most and to many even inside this place—about the budget resolution, the spending reconciliation bill, the tax consequences of it, and all of the terminology that becomes routine when you are working with it every day, and talking about germaneness and relevance. Around here, relevance, to steal a phrase, when you talk about a few in the eyes of the beholder, relevance here is in the eyes of the bellerower. That is where often debate comes about—relevance.

But we have a process by which we determine whether or not something is relevant. So that will be considered as we go along.

So, Mr. President, I want to just say once again that I commend the chairman of the Budget Committee for his hard work and cooperative attitude over the past several months and I have spent long days in tight quarters working on this—by the way, no longer smoke-filled; that's out, as we see now with the tobacco legislation in front of us.

Senator DOMENICI is one of the most competent, serious, hard-working Senators in this body. I enjoyed, as I did earlier, working with him over these past few months. The reconciliation bill before us includes provisions that have been, as the chairman noted, reviewed and developed by eight different authorizing committees. Our colleagues, those who sit on those committees deserve real credit for moving fairly quickly to put these pieces together. I commend them for their hard work.

When I look at the final product, there is much in this legislation to be pleased with. It makes some improvements in Medicare solvency and expands the trust fund, it makes some important benefits to legal immigrants. It includes $3 billion to move people from welfare to work. We want that to happen. And it softens the law that denies food stamps to those who try but are unable to find work.

Despite these positive elements, Mr. President, I have serious concerns about this legislation in its current form. It is blatantly inconsistent in parts with the bipartisan budget agreement.

Once again, I have to say that we labored long and hard and honestly, I believe, in trying to establish agreement. I think we did a good job of making it easy. Some of these were bitter pills to swallow. But we inched our way at first to get there, and finally it evolved into a consensus that we felt we could live with.

The bipartisan budget agreement had some problematic provisions that now we are seeing—frankly, I would have to use the word "attacked"—in some ways. I want to touch on a few examples.

First, I think this bill does challenge or violate the provision in the budget agreement that protects senior citizens with modest incomes from increases in Medicare premiums. The bipartisan negotiators set aside $1.5 billion specifically for this purpose. But the Finance Committee has refused to allocate this money. Now, this must be fixed. I understand they are considering it even as we speak.

Second, the bill violates the provision in the budget agreement that protects those who have come into our country legally, paid taxes, played by the rules, to retire at a fixed time, from a disability, accident, sickness or otherwise. The budget agreement clearly requires that these innocent
victims be protected. However, the Finance Committee has refused to include that in their agreement and included only a temporary restoration of benefits. This, too, must be fixed.

Third, the bill fails to provide Medicaid coverage for the 30,000 children who are losing SSI benefits under last year’s welfare bill. This runs counter to the goal of ensuring that America’s children have health care coverage. 

It is another blatant violation of the bipartisan budget agreement.

Mr. President, it is up to the congressional leadership, not the leadership of the committees, to correct these problems and to bring the reconciliation bill back into compliance with the budget agreement. Senators LOTT and DASCHLE have agreed in writing to do this through bipartisan leadership amendments. I am confident that this commitment is going to be fulfilled. But as I mentioned earlier, Mr. President, I am concerned about other provisions of this reconciliation bill that go beyond the bipartisan budget agreement. I want to outline some of these.

First, the bill changes the age for eligibility in Medicare from 65 to 67. Mr. President, that may be a worthwhile standard, but it is not in this bill. There is no legislation to protect the seniors who will be aged 65 and 66 as they wait for eligibility going from one place to another. For many companies, for many situations, the retirement period is age 65. It is common. I do not think it is right to be in both the budget bill and the reconciliation bill.

So while there may be an argument for considering related proposals as part of a broad review of health care and entitlements, this is not something that we ought to be doing in a fast-track reconciliation bill. Our senior citizens deserve more than that, or one day to be senior citizens.

Nor, Mr. President, should we be considering a fundamental change in the universal nature of the Medicare Program as part of a fast-track bill? This legislation would introduce means testing to Medicare. Again, I realize that there are Senators here who support this proposal. But the long-term implications for this move are enormous. They will be made through a debate than is possible in this legislation.

Mr. President, the bill before us also includes several other provisions that go beyond the bipartisan budget agreement that are of concern.

The bill would increase the financial burdens on some of our most vulnerable senior citizens, poor people, people impoverished by establishing a new copayment for home health visits.

It would authorize medical savings accounts, a proposal that is not part of the Medicare that could, in my view, harm the viability of the whole Medicare Program, because it would give people choices outside the system and perhaps would pull out those who are in good health and leave the rest to those who are not quite up to snuff. It would make excessive burdens for them. It cuts the Medicaid payments. The hospitals also would be curtailed, and they serve a disproportionately share of poor and uninsured patients.

So, Mr. President, these and other problematic provisions should not be in a reconciliation bill—again, I remind you, fast track; this will be done sometime later in order to implement a bipartisan budget agreement. I hope that many of these things can be eliminated before the Senate has to vote on final passage of the legislation.

I want, Mr. President, to caution my colleagues that they are to get here with their amendments because the time continues to pass. As Senator DOMENICI has said, at some point the 20 hours that is allocated for the debate will be consumed by just wasting time. If that is the case, those who have amendments will not be here in the final moments of the time that we have allocated to this debate and they will not be able to bring them up. They may be able to introduce them and get a vote on them, but they are not going to be able to discuss them. They are not going to be able to argue the merits. I think that is something that people ought to pay a lot of attention to if they are serious about the amendments that they are proposing.

I plead with our colleagues, get over here, get your amendments in. The fact that there will be no votes today does not have anything to do with the time schedule. If these issues are going to be voted upon, these amendments, that can be done tomorrow, but the debate will have to be held on a reconciliation bill. Our senior citizens deserve more than that, or one day to be senior citizens.

Mr. President, I am concerned about other provisions of this reconciliation bill that go beyond the bipartisan budget agreement and in the process of reconciliation and hope that we will be able to change the changes and get on with this bipartisan budget agreement that we concluded here on the floor not too long ago.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. I just want to thank Senator Lautenberg for his observations and his comments. Whatever words he had to say about me, I appreciate.

I say, I have just an evaluation that is mildly different. I think, considering the great bulk of things the committees had to do—true, you know, we had an agreement for the first time that told them they had to do certain things; before it was a very vague instruction—I think they did fairly well.

I mean, I think we can count on the fingers of our hands—probably even if we do not get the agreement that we would like to get, we could on less than five—the areas that they did not comply with. I think they are going to work with us to try to get those done.

Obviously, there is one that is difficult that has to do with the radio and television spectrum. That is a little more difficult. The administration told us we could get a lot of money and, if we did not go that far, it would not last. It turns out it is very hard to do that. But we are working on that, in a bipartisan fashion also.

If Senator WELSTONE, you have been here for a while, Senator Judd Gregg has indicated that it was all right with you if he proceeded.

Mr. WELSTONE. That is correct.

I just want to ask the managers—it is fine with me if Senator Gregg proceeds. That is a little more difficult. The administration told us we could get a lot of money and, if we did not go that far, it would not last. It turns out it is very hard to do that. But we are working on that, in a bipartisan fashion also.

Mr. WELSTONE. When do we expect them to come to the floor?

Mr. DOMENICI. I thought it was 1:30 to 2 o’clock. I think we will have some time for statements before that if you want to make a statement before that.

Mr. WELSTONE. I say to both my colleagues, I potentially am ready to do an amendment or two. But I would rather wait until after some discussions with other Senators. Also, Senator Moynihan will be coming to the floor seeking a modification.

Is that correct?

Mr. DOMENICI. Yes. He and Senator Roth or somebody.

Mr. WELSTONE. When do we expect them to come to the floor?

Mr. DOMENICI. I thought it was 1:30 to 2 o’clock. I think we will have some time for statements before that if you want to make a statement before that.

Mr. WELSTONE. I say to both my colleagues, I potentially am ready to do an amendment or two. But I would rather wait until after some discussions with other Senators. Also, Senator Moynihan and Senator Roth will be here.

I thank the Senator for his courtesy.

Mr. DOMENICI. I say to Senator Gregg, how much time would you like?

Mr. GREGG. Fifteen minutes.

Mr. DOMENICI. I will yield the Senator 20 minutes.

I wonder if you could do me a favor. I am going to sneak out and get something to eat. Would you manage the floor for about 15 minutes?

Mr. GREGG. Certainly.

Mr. DOMENICI. I thank the Senator. I yield the floor.
The PRESIDING OFFICER. The Chair recognizes the Senator from New Hampshire for 20 minutes.

Mr. GREGG. First, I rise to congratulate the Senator from New Mexico and the Senator from New Jersey, the chairman and ranking member of the Budget Committee, for getting us to this point where we are in the process of voting on and hopefully reaching a conclusion on two very important reconciliation bills which deal with the critical elements of how we manage entitlement spending and how we manage tax policy.

I want to speak specifically about two elements of the reconciliation bill which I consider to be important, two different bills, the one that deals with the spending, the entitlement bill, and the other deals with tax policy. I think it would be helpful to talk about the Medicare Choice Program, reform program, and the pension language within these two bills, because I think these bills have made giant strides in both these areas toward addressing some fundamental public problems.

I commend Senator Roth and the Finance Committee for including these important provisions on both Medicare and on pension reform.

Earlier this year I introduced S. 246, the Choice care bill. It was essentially similar to legislation that I had introduced in the last Congress, which was included in the Balanced Budget Act that year, which unfortunately was vetoed by the President. The Medicare savings achieved in this reconciliation bill represent only a tentative start, however, toward placing the Medicare system on a path toward long-term solvency. But they are an important start. There are still trillions of dollars of unfunded Medicare liability awaiting us, and this legislation does not address it all, but it does get us off on the right foot.

I am pleased we have taken this opportunity to enact some of the structural reforms that are key to real substantive Medicare reform and the stabilizing of our Medicare trust funds. In my Choice care bill and in the provisions contained in this legislation, seniors will be able to choose from a large variety of health care purchasing options. They can remain in their traditional Medicare plan, they could in fact receive a more substantial package of benefits for the same costs, and, therefore, seniors will have an incentive to buy from these plans.

Take, for example, if a plan was able to offer the seniors not only the basic Medicare benefit but also maybe an eyeglass benefit or a prescription drug benefit. That option is now going to be available to the seniors. This benefits the health of the system because, at the same time, the Medicare program gains control over the rate of growth of the per capita expenditure in the Medicare Program. So whenever seniors move into these plans that can offer them a better benefits package, the entire system will save money because the Medicare program is offering less money per capita on these seniors than it would under the traditional Medicare system.

If they are getting a stronger package, you might say, how can that be? It is called choice. It is called capitalism, it is called what is happening in the private sector today, in the health care system generally. But, unfortunately, it is not helping Medicare, which was designed for a 1960's health care delivery system, which simply is not operable in the 1990's or as we go into the year 2000.

This legislation begins to flatten the wide disparity in reimbursement rates that exist between geographic regions in this country by gradually blending over time local and national reimbursement rates. When we make spending patterns in Medicare more fair and reward those regions of the country that have already done well in holding down costs. The disparity between regions is really excessive. For example, in some parts of this country, like New Hampshire and Oregon, and I suspect in Wyoming, where the President is from, the costs of Medicare benefits are significantly lower than in areas like Staten Island. In fact, it is lower by almost $500 a month.

It is imperative we include such reform as a component of the Medicare Choice Program because only by doing so can we be sure that seniors in low-cost areas will ultimately have access to a wide array of benefit packages. As long as reimbursement rates in some parts of the country are unfairly low, it will be difficult to entice plans into those regions to compete for seniors' dollars even though the health care benefits in those areas today are being maintained at a high level.

I believe we should have increased the incentives available to seniors to become cost conscious by offering them opportunities to save money in the manner in which they buy Medicare. That is the incentive that truly moves shoppers, and I believe that Medicare Choice would be a greatly strengthened reform if we had included in the original bill, S. 246, every time a senior bought from a less expensive plan, even though the benefit package in that plan had to meet the same benefit package or exceed the benefit package of the present Medicare system, if the tax cut incentive was eliminated.

I want to speak specifically about the incentives available to seniors to move more effectively and more efficiently into the health care systems. That is a significant incentive we cannot, in my opinion, ignore. Under the Medicare Choice plan, I expect we will be offering an amendment to correct this, an amendment to strike that section which limits the ability to offer incentives, because lacking that important incentive we cannot, in my opinion, create the incentive and the forces which we need in order to significantly control the costs of health care and to create marketplace forces within the health care systems.

Even considering that, this package still offers the incentive to seniors that where their plan can be more efficient, they will be offered an enhanced package of benefits. That is a significant incentive. While perhaps not as powerful a purchasing incentive as an actual cash rebate, for example, it is my hope that the prospect of strengthened benefits will prove a powerful enticement that allows seniors to move more comfortably into buying Medicare Choice plans.

I am reminded of the old saying that when you begin a trip, a long journey, with one small step. Well, this package that has been brought forth by the Finance Committee is a series of small steps. It has gotten us well into the journey. It has not gotten us to the end, but it has gotten us down the road by giving seniors more choices and more opportunities in the way they purchase their health care.

At the same time that the Finance Committee has made significant strides in the area of Medicare by making more choices and more opportunities available to seniors in the Choice care plan which I introduced, it is also contained in the tax resolution which will be coming forward later in the week, a significant incentive to increase retirement savings. I congratulate, again, and thank Senator Roth, the chairman of the Finance Committee for including so many of the ideas and initiatives which
I was able to participate in pulling together as chairman of the Retirement Task Force. I also want to particularly thank Senator Bob Graham and other members of the bipartisan working group for their aggressiveness in promoting pension reform which will promote savings.

Some months ago, I was asked by Majority Leader Trent Lott to chair the Republican task force on retirement security, and in that capacity I worked with Senator Roth and the rest of the task force to develop a package of proposals introduced a week ago as Senate bill S. 883.

I will not use this time here to describe again the dire circumstances of this Nation with respect to retirement savings. When we introduced S. 883, we detailed the vast gap between our Nation’s retirement income and the inadequate amount of funding we are currently putting aside to meet those retirement needs. Approximately $7 trillion of unfunded liability sits in our defined benefit accounts and it is very wise to note that no fewer than 13 of the provisions, 13 of the provisions of S. 883 have been included in some form in this budget reconciliation package. While many of them are small or technical corrections without significant impact, these reforms will do much to improve the prospects for expanding pension coverage and retirement savings.

Because time is limited, let me list only a few of the reforms that have come to be included in this package which I think are positive for encouraging people to save for their retirement.

This budget reconciliation package includes the first title of the WISE bill, S. 260. This part of the WISE bill—the WISE Act—recognizes the need to increasing more equity to women in the area of being able to save for their retirement—strengthens the homemaker IRA. I, personally, have placed a higher priority on this provision than on any other of our task force savings initiatives, so I am particularly pleased to see it was included. This provision received the active support of a bipartisan group of Senators, including, most notably, Senator Carol Moseley Braun from the other side of the aisle.

This provision, Mr. President, will sever the link between the homemaker’s ability to make a fully tax deductible contribution to IRA and allow her to make that contribution whether or not her husband or her spouse who is in the workplace has a pension plan. This is an important provision not only because it will stimulate additional savings but because it will enable homemakers, especially women, to generate additional savings in their own name. It is about time we do that. I am happy to congratulate, of course, Senator Roth, the chairman of the Finance Committee, who has been a tireless advocate for this idea.

This reconciliation bill also will gradually raise the income limits on the tax deductible contributions to IRA’s. Our Republican task force endorsed the Roth-Breaux legislation that would have completely phased out the income limits that every American will be eligible to fully deduct their IRA contributions. I believe that Finance Committee Chairman Roth exerted every effort to achieve as much as he could in this area, and I am pleased he included at least a version of the task force version of the bill, gradually phasing up the income limits, doubling them by the year 2004. This will do a tremendous amount to spur savings in our marketplace and as people head toward retirement.

This budget reconciliation package also includes the backloaded IRA, an important new option in retirement savings in which the contributions are not tax deductible and the tax advantages come up upon withdrawal. This expands the capacity of individuals to take advantage of retirement incentives for the retirement savings that are for them. It also limits the revenue loss in the short term from IRA expansion, because the contributions today will be taxed when they are made. I know many individuals will wish to use this alternative backloaded-IRA structure, and thus this will be an important incentive for additional long-term savings.

Mr. President, one thing we must do as a nation is simply make it easier and more convenient for people to save. The fact is that if we do not do this, we will be more secure by their pension benefits. It is difficult to find exactly who the employers and employee benefits. This type of commonsense change will make it easier for States and local governments to plan for functions around the country. Another task force-endorsed reform picked up by this reconciliation bill is to eliminate the extra tax on rollovers. Until now, the matching contributions made by the self-employed were treated differently under tax law than the matching contributions made by employers. By straightening out the discrepancy, we will remove another obstacle to retirement saving among the millions of small business owners providing pension coverage. As we all know, small business is where we most need to increase participation in pension plans.

There is not time, Mr. President, to discuss every reform that was inserted into this reconciliation bill in the pension area. But I am pleased that this bill draws from reform initiatives in a variety of areas. In the area of portability—I am talking now about the tax bill coming to us after the尔게안. This reconciliation bill will add extra protection to defined benefit plans that accept rollovers, protecting them from disqualification if they do facilitate that kind of portability. Moreover, the bill includes a few provisions that will streamline the paperwork process. The bill will facilitate the use of new technologies to replace old paperwork filing, and also eliminate some paperwork requirements that should no longer be required. Finally, various technical inconsistencies and special circumstances that we retain those provisions in conference.

Let me close by thanking Chairman Roth for his extraordinary effort and for his willingness to include so many provisions to support pension reform and Medicare Choice in both reconciliation bills, as well as several other Finance Committee Senators, including Senators Bob Graham, Chuck Grassley, Orrin Hatch, Jim Jeffords, and others. Although I am not on the Finance Committee, I was certainly pleased to be able to work with this group to advance efforts to increase retirement savings. Savings incentives are an effective and important use of tax relief—one of the very best things that we can do with our opportunity
June 23, 1997

Mr. DOMENICI. Would the Senator be agreeable at a later date, in the stacking process, to rearrange the order of his amendment if the Committee on Finance wants to have an amendment before it?

Mr. GREGG. Absolutely. I would agree to a unanimous consent to place my amendment behind whatever amendments are offered by the chairman and ranking members of the committee.

Mr. DOMENICI. Would the Senator also agree that it can be sequenced in a manner that helps the manager work this bill through? It won't take a long time. But it may be second or third.

Mr. GREGG. As long as it is not eliminated.

Mr. DOMENICI. Right.

this year to relieve the tax burden on American taxpayers. I do hope and expect that we can retain these critical provisions in these two bills.

Now let me express one area that I have concern about, and that is the area of how we handle the Medicaid expansion, or the new program for the purposes of assisting child health. I have read the bill. I understand that States have the right to choose between a capped grants program and the expansion of the Medicaid Program. It is not, however, clear to me what the requirements are relative to coverage, and how demanding the Federal Government is going to be on each State as to how and what must be covered on each child. I would have serious reservations if we have created a new entitlement program. This would be a mistake, at a time when we are trying to control the rate of growth of the Federal Government and growth of the most explosive side of the Federal Government, the entitlement accounts of this Government; it would be a serious error for us to embark on a new entitlement program.

It is not clear to me, after having read this, whether or not we have done that. It is clear to me that there was an intention not to do that. At least, in the language of the bill, and in the explanation of the bill, statements were made that it was not the intention of the committee to move down the road of a new entitlement program. Whether or not the operable language in fact creates such an event, demanding that certain action be taken, that certain expenditures be made and not funding those, or creating a situation where people can come in and demand those expenditures in a way that creates an entitlement or a mandatory program is not absolutely clear. As we go forward with this debate, I hope we will get clarification on this point. Should it turn out that this is a new entitlement program, I hope we will change that, either here on the floor or in conference, so that the intent of the language is clear, which is to create a grant program to benefit children and their health needs.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Mr. President, is the time being controlled?

The PRESIDING OFFICER. Yes. The Senator would need time yielded to him to speak, but could offer an amendment that would then be debated for 2 hours equally divided.

Mr. DOMENICI. How much time would the Senator need?

Mr. GREGG. I would need about 15 minutes.
Mr. GRAMM addressed the Chair.
The PRESIDING OFFICER (Ms. COLLINS). The Senator from Texas.

Mr. GRAMM. Mr. President, I want to join our distinguished colleague from New York in commending our chairman of the Finance Committee.
expanded choice, expanded competition, and the efficiency that it will ultimately bring will benefit every Medicare beneficiary and will benefit the 110 million people that are paying Medicare taxes.

This is a very important reform. It is a reform that now, I think, we can be proud to say, is virtually non-controversial.

One thing we have done in the bill which I say that had it been left up to me I would not have done is we have transferred home health care out of the trust fund into general revenue. Those who would say this is unkind said it is a phony reform; not only are they unkind, they are incorrect. In fact, when we initially debated this so-called reform I said that you can buy 10 years of solvency in Medicare by taking the fastest growing item in Medicare out of the trust fund and putting it in general revenue and not counting it as part of Medicare anymore as part of the part A trust fund. If that is real reform, I can save Medicare for 100 years by simply taking hospital care out of the trust fund and putting it into general revenue and not counting it as part A Medicare, but would anybody believe that I had done anything when I did it?

So, one part of this bill which was dictated by the budget agreement is the transfer of home health care. But there are two things that we have done as part of this transfer which really represents an accounting gimmick, but two things we have done are real. No. 1, we are going to build over time 25 percent of the cost of home health care into the Medicare premium that people pay for part B services or physician services after retirement; and also for the first time in this bill we have a $5 copayment for home health care. Now I know that many of you are not happy about this and that people will scream and holler that this $5 copayment represents the end of the world. But I want to remind my colleagues that home health care now spends more money than the National Institutes of Health. It now spends more money than the space program. This is a massive uncontrolled program.

Some of you probably saw the big article in the Wall Street Journal about how hospitals have got out of the garbage collection business and gone into home health care and become instant millionaires, how fraudulent much of this program is in terms of people who were providing services and overbilling and how the whole system is completely out of control. We are trying to begin to tighten up on that but there is nothing that will be better for tightening up on it than asking for a small nominal payment so that people will look at the cost, so that people will make better decisions. So it is a good thing to get copayment. But if we know anything about the world we live in, it is that small costs affect behavior on a substantial basis.

We have very important long-term reform in this bill. The reform has already been denounced by most of the major special interest groups in the country that tend to speak out on this. But I want to ask about the two long-term reforms. The first reform has to do with retirement age. I remind my colleagues that we changed the retirement age in 1983 for Social Security. I remind you of the circumstances. We were on the verge of having Social Security go bankrupt. We were down to the point where we could not have sent out the July checks. We had a commission that had not reached any kind of conclusion, and under the leadership of Ronald Reagan we were ultimately able to get a recommendation to make some changes. The only real substantive change that the commission made and Congress adopted was changing the retirement age. They set out to change the retirement age over a 35-year period where, as we recognize that people are living longer and healthier, as we are working longer, that ultimately Social Security had to change.

People forget that when Social Security went into effect in 1935 the average American worker did not have a life expectancy that was high enough that they would ever receive any benefits from Social Security. It was the exceptional person who lived longer than normal who ever got a penny out of Social Security. Our lifetimes, thank God, have grown tremendously since 1935 due to improvements in public health, medical care, due to improvements in medical care, due to improvements in nutrition, and due to the improvements that would come as income has risen with our strong free-enterprise economy and we have all been able to do a better job of taking care of ourself and our children. But we are not yet at the point where we are 67 for Social Security—that will become effective in the year 2027—but we did not raise the eligibility date for Medicare. In this bill we make the conforming changes so that Social Security and Medicare will again be brought together. What it means is for people who were born in 1960 and who are, therefore, 37 years old today, they will know, with 30 years to plan for it, that they are not going to qualify for Social Security and for Medicare until they are 67. So they have 30 years to plan for that change. In my case, I was born in 1942. So I know that if this bill is adopted, along with the changes that have already been made in Social Security, that I will not be eligible to retire until I am 65 years and 10 months old. So I have 11 years to adjust to the fact that under this bill I am going to be required and can expect to work 10 months longer.

Now, we have a lot of people who are saying that this is unreasonable, out- aged, you know, and that the world is going to come as a result of it. But this is the reality of the world we live in. We are healthier, we are working longer, and we are living longer. So if this program that we all depend on is going to be there to serve us, this is a change that needs to be made. I intend to defend it vigorously.

The second change that was made had to do with very high-income retirees to pay the full cost of the voluntary part of this program. Some people will recall that the part A of the trust fund, the hospital part, you pay for during your working life by paying 2.9 percent of your wages into a trust fund, and that pay is for the part A. Actually it is a long way from paying for it but that is the system. The part A section of Medicare which pays for hospital care, you do not pay for while you are working, you pay 25 percent of the costs of the part B premium. When the program was started in 1965 it was going to be 50 percent of the costs.

What we do under this bill is ask our high-income seniors, who as individuals, make between $50,000 and $100,000 a year and as couples from $75,000 to $125,000, to phase up that part B premium to $125 a year to approximately $2,100 a year of costs, which is the full cost of that voluntary program.

Now, again, some people will say this is an outrage, but the plain truth is this is a voluntary program. It is still true that they do not have to take this on in the marketplace. Nobody paid for this program during their working life. It makes no sense for my son in the labor market and 21 years old to be paying taxes to subsidize voluntary insurance for a senior who is making $125,000 a year, just not part of our budget and Government program. I note that the savings from this higher part B premium for very high-income seniors and from the retirement age change, that the savings from those two programs we do not even count them in this bill. No, we did not count those savings and purposes. We are not using them to balance the budget. We are not using them to fund tax cuts. We are simply doing them and dedicating all the savings to the Medicare trust fund to keep the system solvent. No one has ever done anything like this before in the name of trying to save Medicare.

Finally, we did have a provision that would have used the higher costs for very high-income seniors as a deductible instead of as a payment. We have had so many questions raised about it that I have decided, along with others, to go ahead and simply charge the premium and then do a study and a test of using the deductible instead of the premium. I will submit for the RECORD two letters, one from the American Enterprise Institute and one from the Heritage Foundation, explaining why doing it where we would raise the deductible instead of the premium would be better and would save more money and would improve the efficiency of the system. The only reason I did not es- cape many people is that if I am a high-income retiree and I pay $1,577 more for an insurance policy, once I paid that, then the cost of medical care that I would then buy with that policy is totally unchanged.
So all the Government did that helped Medicare was it got $1,577 out of my pocket and put it into the trust fund to help keep the program alive—good work, important work, but by doing it as a deductible, which I hope some day we can do when people understand it, you are going to get high income seniors who will be more cost conscious because they will be paying the first $2,100 as a deductible, and so they will actually be consuming medical care more efficiently, getting out their bills and reading them, and reporting when somebody over charges them. They will actually be shopping around for the best buy. That is what we want people to do. But this whole idea is so important, I don’t want a new idea to threaten it.

So I will submit these two letters for the RECORD. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE HERITAGE FOUNDATION, June 20, 1997.

Hon. PHIL GRAMM, Russell Senate Office Building, Washington, DC.

DEAR SENATOR GRAMM: I was delighted to hear that your amendment concerning the Medicare Part B deductible was added to the Finance Committee bill.

We have long argued, as you have, that raising the Part B deductible for upper-income Americans is a bad policy. Moreover, given the choice between raising the deductible and raising premiums, increasing the deductible makes far more sense. While raising the premium for upper-income retirees, like raising the deductible, would reduce the taxpayer-financed subsidy now going to people who do not need it, raising the deductible would have the added advantage of also significantly changing patient incentives. That would lay the groundwork for long-term structural reform of Medicare.

I should add that the criticisms leveled at your amendment are quite remarkable. At a time when Medicare is increasingly incapable of promising continued service to lower-income retirees, it seems incredible that some liberal members and organizations are defending a huge subsidy to the rich. And it is almost amusing to hear the claim that the amendment is unworkable. We have been means-testing programs for the poor for many years, but now we are told that designing an income-adjusted Medicare deductible for the rich is beyond the capability of the human mind.

Keep up the good work, Senator!

Sincerely,

STUART BUTLER, Ph.D., Vice President, Director of Domestic and Economic Policy Studies.

AMERICAN ENTERPRISE INSTITUTE FOR PUBLIC POLICY RESEARCH, Washington, DC, June 20, 1997.

Hon. PHIL GRAMM, U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: I would like to congratulate the Senate Finance Committee on its recent action to introduce income-related deductibles into the Medicare program. In my personal view, this proposed change is long overdue for the following reasons:

The original Part B deductible was $50. After over 30 years, it has only been allowed to increase to $100. If it had been indexed to per capita health care costs, it would today be about $1,200. 75 percent of Part B is now financed from general revenues. This means that each Medicare recipient receives a subsidy from other taxpayers of about $1,700 per year. It is highly appropriate that higher income Medicare recipients pay a higher portion of the cost of their insurance coverage.

The long-term reform of Medicare is not just a matter of raising more revenue from payroll taxes or premiums. It will require reforms that give recipients incentives to seek more cost-effective providers when they need care and to avoid using medical care unless it is actually needed. Higher deductibles are a useful first step on the long road to reform since they will give those with the greatest ability to pay an incentive to use medical care more carefully. You will not get these behavioral effects from higher premiums.

Since Medigap policies impose extra costs of approximately $1,000 per beneficiary on the Medicare program and reduce the behavioral effects of deductibles and co-payments, I urge the Congress to investigate and eventually pass reforms affecting the Medigap insurance market.

The views expressed here are my own and do not necessarily reflect the views of the American Enterprise Institute or any of my colleagues.

Sincerely yours,

ROBERT B. HELMS, Resident Scholar, Director of Health Policy Studies.

Mr. GRAMM. Madam President, I yield the floor.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. ASHCROFT. Madam President, I ask unanimous consent that I be allowed to yield 20 minutes from the majority time for purposes of making remarks.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.
The PRESIDING OFFICER. The Senate will now resume consideration of S. 947, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 947) to provide for reconciliation pursuant to section 104(a) of the concurrent resolution on the budget for fiscal year 1998.

The Senate resumed consideration of the bill.

Pending:

Gregg modified amendment No. 426, to provide terms and conditions of imposing Medicare premiums.

Harkin amendment No. 428, to reduce health care fraud, waste, and abuse.

Kennedy/Wellstone amendment No. 429, to strike the provision relating to the imposition of a copayment for part B home health services.

Motion to waive a point of order that section 5611 of the bill violates section 313(b)(1)(A) of the Congressional Budget Act of 1974.

AMENDMENT NO. 428

The PRESIDING OFFICER. There will now be 15 minutes of debate prior to a vote on or in relation to the Gregg amendment No. 426.

Mr. DOMENICI. Parliamentary inquiry. Is it not time for the proponent and opponents to share some time equally in reference to the Gregg amendment?

The PRESIDING OFFICER. That is correct. There are now 15 minutes equally divided on the Gregg amendment No. 426.

Mr. DOMENICI. I yield the floor to Senator GREGG.

Mr. GREGG. Mr. President, I am not sure who rises in opposition to this amendment. I understand there are some concerns that have been raised. Let me review the amendment so people understand what it does.

Essentially, this amendment creates a marketplace, creates competition, and it gives seniors the opportunity to go into the marketplace, be thoughtful purchasers, and the result of being thoughtful purchasers is getting an actual return, a monetary return, for being thoughtful purchasers.

What the amendment does is strike the language in the bill which says that there can be no cash incentives tied to any sort of Choice plan. Now, in the original bill as it was presented by myself, the original Choice bill, the vast majority of which has been incorporated in this bill, we had a section which said that if a senior was able to purchase a plan at less dollars, then the senior would be allowed to keep 75 percent of the savings, and 25 percent of the savings would go into the part A trust fund. Under the bill as it is presently structured, the practical effect was it created more marketplace forces. It meant seniors would be more thoughtful purchasers of health care. This is important.

Second, it meant that the health care provider groups like HMO’s, PPO’s and the PSO’s who are now being empowered to compete for senior dollars, those groups would have a reason to deliver the same benefit structure as

*This “bullet” symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.*
Medicare gives today at the same quality but deliver it at less cost. It is called capitalism. It is called a marketplace force. It is what we are trying to put in place in the provision to control costs of health care and Medicare, and it is what is working in the private sector. Under the bill as it is presently structured, that opportunity would be eliminated. Now, we are not suggesting that opportunity has to be pursued. We are saying let’s leave open that opportunity under HCFA’s guidance, and by the way, if it was determined this might be a way to create better competition and better health care delivery, it would be available.

Now, I cannot speak for the opposition, but what I have heard from the opposition is that there is a feeling that this cash rebate may in some way affect the Treasury. Well, it does not. Under the present law as it is structured in this bill, if there is no cash rebate, the only beneficiaries of more efficient provider groups. They get to keep the money. They get to keep the money. They do not rebate it to the seniors. They get to keep it, to quote Jerry McGuire.

Then I heard another comment, “Basically what we want to do is encourage people to supply more benefits, not to supply a financial rebate to senior citizens.” I think that makes sense. I think that should be an option. I think provider groups like HMO’s that can deliver the services for less might want to throw in eyeglass care, glasses, or prescription drugs. They like to keep it.

I think it is a good public policy decision to encourage that. But at the same time I bet you there are some provider groups today, because we pay so much in insurance for Medicare, who could pay the cost of eyeglass care and still receive in the program. Seniors will be able to choose from HMO’s, PPO’s, and Medicare Preferred Outpatient Groups. The committee proposal is intended to increase Choice for seniors. At the same time, it is meant to avoid the risk that the Medicare Program would move toward a two-tiered or multitiered system in which the most healthy, especially the most healthier and wealthier, enjoy benefits not available to the others.

Under the committee-reported bill, providers of different services are paid a set amount. They then compete for the consumer’s dollar in the marketplace. I think that makes sense. The Finance Committee also wanted to avoid a situation in which providers limit their benefit package to attract seniors. Under the committee-reported bill, providers of different services are paid a set amount. They then compete for the consumer’s dollar in the marketplace. I think that makes sense.

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Mr. ROTH. Mr. President, I, too, want to join the distinguished Senator from Oklahoma in thanking our friend from New Hampshire and withdrawing the amendment. I think he has articulated the reason for the change. I think there is considerable merit to the idea, but I do appreciate the fact that he has withdrawn the amendment. I don't think it is appropriate at this time. We look forward to working with him.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I, too, want to join in saying to the distinguished Senator from New Hampshire that I saw this as a Choice proposal, an expansion of Choice. It wasn't a mandate. I thought it was a pretty good thing that we keep as much choice and potential for choice in the Medicare reform. I am sure this will be revisited at some point.

As the manager for the majority, I would like to talk a little bit with the Senate about where we are. Could I inquire, none of the amendments are automatically up at this point, are they? Am I mistaken on that? Aren't they subject to a management decision on which ones come next?

The PRESIDING OFFICER. The question would recur on No. 429, the Kennedy-Wellstone amendment to S. 947.

Mr. DOMENICI. I thank the Chair. Might I then inquire, under the ordinary rules of amendments, how much time is left on the Kennedy-Wellstone amendment, if it were all to be used?

The PRESIDING OFFICER. The Chair will check on that.

Mr. DOMENICI. That is fine. Is there any reason we should not go to the Kennedy-Wellstone amendment? I am sure Senator ROTH has a substantial amount of time on the amendment. I want to yield the entire time in opposition to the amendment to the distinguished chairman of the Finance Committee. I may need a few minutes later. I will yield the Senator the time that is left. Can the Senator manage that?

Mr. ROTH. Yes, I can manage that.

The PRESIDING OFFICER. To answer the question of the Senator from New Mexico as to the time remaining on the Kennedy-Wellstone amendment, Senator KENNEDY has 15 minutes and the Senator from New Mexico has 45 minutes.

Mr. DOMENICI. I will yield the 45 minutes to Senator ROTH.

Let me indicate to the Senate, so there won't be any misunderstanding, that what I am trying to do is get time used up or get time agreements. We don't intend to vote on the Kennedy-Wellstone amendment until early in the afternoon. So we can finish the debate and go to another one. I wanted to indicate that to the Senate at this point.

Mr. LAUTENBERG. Mr. President, if I might just add a note here for all of our colleagues who are interested in amendments, or talking on the bill.
Mr. GRAMM. Mr. President, when Social Security started in the mid-1930’s, the average person paying into Social Security, given the lifespan projections, was not projected to live long enough to get any of the benefits. In fact, we forget that when Social Security started, the average life expectancy of Americans was substantially less than 65.

By 1983, Social Security had become insolvent. We were in danger, in the spring, of not being able to send out July checks. We had a crisis in Social Security, so we instituted a series of reforms to try to pull Social Security back in the black. One of those reforms was raising the retirement age beginning in the year 2003. Then over the ensuing 24 years it would be raised in small increments up to 67. We did it under crisis circumstances. I remember the vote. I was a young Member of the House at the time. It was adopted on a bipartisan vote. Nobody liked it, but everybody recognized that it had to be done.

We did not make a similar change for Medicare then because Medicare was in the black. Today, our circumstances with Medicare are very, very different. If you look at this chart behind me, we currently are in this last small part of blue. Medicare is now in the process, very rapidly, of going bankrupt and the Medicare part A trust fund, which pays
for hospital care, within 4 years will be insolvent. We expect Medicare, based on current trends, to become a drain on the Federal Treasury of $1.6 trillion over the next 10 years.

Our problem is not only exploding costs, but the fact that we have a baby boomer generation that was born immediately after the war which made Medicare possible as all these baby boomers entered the labor market beginning in 1965. But 14 years from today, the first baby boomer retirees. We will go from 200,000 people retiring a year to 1.6 million people retiring a year. This does not change for 20 years. We go from 5.9 workers per retiree in 1965, to 3.9 workers per retiree, to 2.2 workers per retiree. We are facing a very great crisis in Medicare.

We also face a timing crisis. Everybody knows we are going to have to raise the retirement age for qualifying for Medicare as we did for Social Security. Everybody knows it is going to have to be done. If we do it today, we are going to have time for it to phase in. If we wait, we are only 3 or 4 years away from the phase-in for Social Security will have started and we are going to be forced to tell people who have planned for retirement that their Social Security benefits and their Medicare coverage are not going to cut in when they plan to retire.

If we make this change today, people will have time to adjust. For example, I was born in 1942. If I pass this bill today, I will know that if I plan to retire at 65, that my Social Security benefit and my Medicare coverage will not cut in until I am 65 years 10 months of age. So I have 11 years, if I were looking forward to that retirement, plan to for it. If we keep waiting, knowing we are going to have to do this, we are going to end up having to force people when they are not ready. The advantage of doing what we have done is that it phases in between now and the year 2027, and people have time to plan for it.

It is the ultimate paradox that we have a point of order against this provision because we did this provision without claiming any savings for the budget. We made this change to save Medicare. We dedicate every penny of savings to the Medicare trust fund, we don’t count a penny of the savings toward balancing the budget or funding tax cuts, and now we have a point of order against the amendment because we are not claiming savings.

So we try to answer the charge that is often made on the other side of the aisle that you are cutting Medicare to balance the budget or you are cutting Medicare to cut taxes. We try to respond to that by taking a long-term view of saving Medicare. We do not claim this is going to reduce the deficit, we don’t let any of it be spent, and we don’t let any of it be used for tax cuts. We simply are trying to do something that is fundamentally important.

Medicare is going broke. We have an unfunded liability for Medicare today of $2.6 trillion.

The PRESIDING OFFICER (Mr. Sessions). The Senator has spoken for 5 minutes.

Mr. Gramm. May I have 1 additional minute?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Gramm. The plain truth is we have to guarantee two generations of Americans benefits under Medicare, and we have not set any money aside to pay for it. We have an outstanding liability of $2.6 trillion. If we wait 10 years to do something about it, it will be $3.9 trillion. If we wait 20, it will be bigger than the entire national debt of the United States. The Finance Committee, in an extraordinary act of courage, decided to make this change and not count any of it toward balancing the budget and not count any of it to pay for the tax cut but to simply do it so we will never have to call upon Medicare to tell them Medicare went broke today.

I supported this provision because I have an 83-year-old mother who depends on Medicare, and I don’t want to pick up the phone someday and say, ‘Mama, Medicare went broke today. I knew not have courage enough to do anything about it.’

We have an opportunity over the next 30 years to phase up the eligibility date for Medicare to conform to Social Security, something we have already done with Social Security. Let’s not wait until the house is on fire to do something about the problem.

I urge this point of order be waived. The PRESIDING OFFICER. Who yields time?

The PRESIDING OFFICER. The Senator from Illinois.

Mr. Durbin. Mr. President, I don’t know if I need permission from Senator Launtenberg on our side, but I am going to presume there is no objection to speak on behalf of our side in this debate. As the Senator from Illinois so often does start his commentary with, ‘I yield so much time.’

Mr. Launtenberg. I yield so much time, up to 10 minutes, as the Senator from Illinois requires.

Mr. Durbin. I thank my colleague for making this legitimate. The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. Durbin. Mr. President, what is this all about? Well, you say the word ‘Medicare’ and senior citizens start listening. ‘Medicare, wait a minute, that is my mother’s health insurance protection. It is my grandfather’s health insurance protection. What are they doing to Medicare?’

Let me tell you for a moment, if you are 65 years old or older, listen with interest. If you are younger, listen to this debate with great interest. It is about you and when you will be able to retire. It is whether or not you will have the protection of health insurance in your old age.

This is the committee print for the bill we are considering, a very interesting document. There is a provision in here that we are now debating which you might overlook, but it is so important that virtually everyone under the age of 59 years in the United States of America, because of a handful of sentences here, may have to change their plans as to when they are going to retire. That is how important this debate is, that is how important this issue is. Because buried in this committee print on page 161 at the bottom of the page is a Texas two-step for America’s working families. A Texas two-step—step, step, slide, slide, and guess what? It raises the eligibility age for Medicare from 65 to 67.

What does that mean? It means if you were counting on retiring at age 65, taking your Social Security, taking your Medicare, guess what? You now have to wait a couple of years, or at least retire without the protection of Medicare.

Is that important to people? I think it is very important. Do you know how many people now at the age of 65 have health insurance in America? Thirty percent; 70 percent do not. They are people who count on Medicare to protect them. And the Senator from Texas offers an amendment. As a Texan, I say, ‘Oh, you can count on Medicare to protect you. Just wait 2 years, wait 2 years, and then we will start protecting you.”

What if you just retire at age 60, what if your employer says to you, ‘You earn your retirement, we’ll give you health insurance protection,’ and changes his mind? Have you ever heard that story? I have heard it plenty. People who retired say, ‘I’m taken care of, the company I work for gave me a watch, they gave me a health insurance plan, this is going to be great. I’m going to enjoy living.’

The company is sold two or three times, a couple mergers, a couple cutbacks, and the next thing you know, they are saying, ‘Sorry we have to send you a letter and tell you the bad news. New more health insurance, Mr. Retiree. Thanks for 35 years.’ And there you sit at age 61 without health insurance.

What does it cost you? I know what it costs in Chicago because we checked. About $6,000 a year if you are healthy. If you are not healthy, and in your sixties, 10,000 bucks a year. Did you count on that when you decided to retire? I don’t think so. And if you get stuck in that position, you know what you start doing? You start counting the days to when you will be eligible for Medicare. How many more months before I reach age 65 and Medicare is going to come in and protect me and my family and my savings? You count the days.

The Senator from Texas, who offers this amendment, he is counting for 24 months more, wants you to hang on until you are 67. Then he says we should make you eligible for Medicare.

I think that there is some question as to the statement in the committee print about its voracity. I know we are not supposed to say that, but let me...
just tell you why I say that. The commis-
sioners say we are changing Medicare so that it tracks Social Security and, in their words, they say, "The commission will establish a consistent national policy on eligibility for both Social Security, old age pension benefits and Medicare." That is the obvious. The age to retire under Social Security in the next century is going to go up from 65 to 67. This is true. It is the basis for this amendment. But it is not the whole story, I say to my friends. The whole story is this. You can draw Social Security at age 62, but you can't take Social Security benefits at age 62. Right now you can't, that's it. But you can't do that on Medicare. You can't draw Medicare benefits at age 62. Right now you wait until you are age 65, unless you are in special conditions. Senator BOXER from Texas wants you to keep on waiting for 2 more years to the age of 67. I don't think that is an accurate statement when they say they are going to track Social Security. They don't track Social Security.

Mr. GRAMM argues this gives people time to adjust. He talks about compassion and courage. How much courage does it take to say to a senior citizen who now has developed a serious heart problem, "Keep drawing out of your savings accounts to pay for your health insurance."

You know what will be compassionate and courageous, not raising the age to 67. What would be compassionate and courageous is universal health care. To say no matter how old you are, rich or poor, where you live, black or white, regardless of your ethnic background, you are insured in America. You are not going to be stuck in the situation we are creating with this bill, you are not going to be stuck in the position with a terrible medical problem at age 62 and no health insurance when you can't retire under Social Security when you are eligible for Medicare. That would be compassion and courage. That would be responsive to the 40 million Americans stuck today without health insurance.

Let me tell you, I am going to vote to protect it because of what it has meant to my family. Medicare has meant to my family the dignity with Social Security, but with the protection of Medicare. Parents don't want to be burdens on their children. They want to live independently, enjoy their lives because they played by the rules and they have paid in. To change the rules at this point, to say we are going to raise the retirement age for Medicare really negates on a promise that was made over 30 years ago. It is the wrong way to go. We can make Medicare solvent in the long term, and we can do it in a sensible way.

At this point, I yield, for purposes of debate, to my colleague from California, Senator BOXER.

Mr. BOXER. Mr. President, I ask how much time does the Senator from Illinois have remaining that I gave him?

The PRESIDING OFFICER. The Senator has spoken for 10 minutes.

Mr. LAUTENBERG. He has spoken for 10 minutes.

Mr. GRAMM addressed the Chair.
If we wait, we are going to end up doing what our colleague accuses us of today. But the truth is, by doing it now, for those who will have to wait an additional 2 years, they will have 30 years to adjust. This is the responsible way to do it. It is the way it should be done, and I hope it will be done. If we don't do it, we will be back here in 3 or 4 years doing it under crisis circumstances and doing it immediately.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I ask unanimous consent that we set aside temporarily the motion before us to consider a technical amendment that has been cleared on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 431
(Purpose: To provide for managers' amendments)
UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, we have again conferred with the Democratic leadership, and I believe we have this unanimous-consent agreement approved.

I ask unanimous consent that all remaining amendments in order to S. 947 must be offered prior to the close of business today and any votes ordered with respect to those amendments occur beginning at 9:30 a.m. on Wednesday, in a stacked sequence, with 2 minutes equally divided between each vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I ask unanimous consent that when the Senate reads S. 947 for the third time, the Senate proceed to vote on passage of the balanced budget reconciliation bill, all without intervening action or debate, and when the Senate receives the House companion bill, the Senate proceed to its immediate consideration and all after the enacting clause be stricken and the
"(i) the Secretary may determine that extraordinary circumstances make it impracticable for the State agency to obtain information necessary to discontinue inclusion of the individual; and

"(ii) a State agency that obtains information collected under section 1611(e)(1)(i)(D) of the Social Security Act (42 U.S.C. 1382(e)(1)(i)(D)) through an agreement under section 1615(e)(1)(ii)(A) of that Act (42 U.S.C. 1382(e)(1)(i)(ii)(A)), or under another program determined by the Secretary to be comparable to the program carried out under that section, shall be considered in compliance with this subparagraph.”.

(2) LIMITS ON DISCLOSURE AND USE OF INFORMATION.—Section 11(e)(B)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(B)(E)) is amended by striking “paragraph (18)” and inserting “paragraph (18) or (20)”.

(3) EFFECTIVE DATE.—
(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall take effect on the date that is 1 year after the date of enactment of this Act.

(B) EXTENSION.—The Secretary of Agriculture may grant a State an extension of time to comply with the amendments made by this subsection, not to exceed beyond the date that is 2 years after the date of enactment of this Act, if the chief executive officer of the State submits a request for the extension to the Secretary—

(i) stating the reasons why the State is not able to comply with the amendments made by this subsection by the date that is 1 year after the date of enactment of this Act;

(ii) providing evidence that the State is making a good faith effort to comply with the amendments made by this subsection as soon as practicable; and

(iii) detailing a plan to bring the State into compliance with the amendments made by this subsection as soon as practicable and not later than the date of the requested extension.

(b) INFORMATION SHARING.—Section 11(f) of the Food Stamp Act of 1977 (7 U.S.C. 2020(f)) is amended by adding at the end the following:

"(q) DENIAL OF FOOD STAMPS FOR PRISONERS.—The Secretary shall assist States, to the maximum extent practicable, in implementing a system to conduct matches or other systems to prevent prisoners described in section 11(e)(20)(B) from receiving food stamp benefits.”.

SEC. 10. NUTRITION EDUCATION.

Section 11(f) of the Food Stamp Act of 1977 (7 U.S.C. 2020(f)) is amended—

(1) by striking ‘‘(f) To encourage’’ and inserting the following:

‘‘(f) NUTRITION EDUCATION.—’’

‘‘(1) IN GENERAL.—To encourage;’’ and

(2) by adding at the end the following:

‘‘(2) GRANTS.—’’

(A) IN GENERAL.—The Secretary shall make available not more than $600,000 for each of fiscal years 1998 through 2001 to pay the Federal share of grants made to eligible private nonprofit organizations and State agencies to carry out subparagraph (B).

(B) ELIGIBILITY.—A private nonprofit organization or State agency shall be eligible to receive a grant under subparagraph (A) if the organization or agency agrees—

(i) to use the funds to direct a collaborative effort to coordinate and integrate nutrition education into health, nutrition, social service, and food distribution programs for food stamp participants and other low-income households; and

(ii) to design the collaborative effort to reach large numbers of food stamp participants and other low-income households...
through a network of organizations, including schools, child care centers, farmers' markets, health clinics, and outpatient education services.

"(C) PREFERENCE.—In deciding between 2 or more private nonprofit organizations or State agencies that are eligible to receive a grant under subparagraph (B), the Secretary shall give a preference to an organization or agency that conducted a collaborative effort described in subparagraph (B) and received funding for the collaborative effort from the Secretary before the date of enactment of this paragraph.

"(D) FEDERAL SHARE.—

(i) IN GENERAL.—Subject to subparagraph (E), the Federal share of a grant under this paragraph shall be 50 percent.

(ii) NO IN-KIND CONTRIBUTIONS.—The non-Federal share of a grant under this paragraph shall be in cash.

(iii) PRIVATE FUNDS.—The non-Federal share of a grant under this paragraph may include amounts from private nongovernmental sources.

(iv) LIMIT ON INDIVIDUAL GRANT.—A grant under subparagraph (A) may not exceed $200,000 for a fiscal year.".

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I understand this has been cleared by both sides. This is an amendment that I offer. It is an amendment that passed on a record vote of 409 to zero in the House. It basically closes a loophole in the Food Stamp Program.

The GAO did a study and determined that the Federal Government is losing nearly $4 million a year to provide food stamps for prisoners who obviously do not need food stamps. Prisoners do not qualify for food stamps because, of course, they are being fed in prison. But nevertheless, there is food stamp abuse going on where someone in a household claims a prisoner to add to the food stamp benefits.

Mr. President, I am very pleased that this amendment is going to be accepted because I think it is very important that the States do a basic check of their prison rolls with their food stamp rolls to make sure that the food stamps are being used for the purpose for which they were intended.

Food stamps are an entitlement, as they should be. They are given to anyone who is in need. But I think it is not fair to double dip, and we can save $4 million. In fact, that $4 million will go into some of the other very important programs that will be covered by this reconciliation bill.

So I am very pleased that we are closing this loophole, and I am very pleased that we are also adding another part that provides nutrition education for the low-income households through a network of social service organizations. This is something that Senator RICK SANTORUM has been a leader in doing, and he is a cosponsor of this amendment. I think we can do a lot of good.

So I thank the managers of the bill for accepting this amendment. I urge adoption of the amendment and ask that we have a voice vote.

The PRESIDING OFFICER. Is there further debate?

Mr. HARKIN addressed the Chair. The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I just wonder if I could ask—I was just informed of this amendment as ranking member on authorization. I just want to make sure I understand it fully. I would ask the Senator from Texas to yield for a question.

Mrs. HUTCHISON. Yes, I would be happy to yield for a question.

Mr. HARKIN. As I understand, what the Senator is saying is that right now under the food stamp rolls, if there is a person in the household who is incarcerated, that you just want to ensure that the changes are made to reflect that there is one less person in that household for purposes of food stamp eligibility and food stamp allotment?

Mrs. HUTCHISON. I think what the Senator is asking is, is this going to affect the rest of the family? The answer is no. It is just that the prisoner would not need food stamps. Prisoners do not qualify for food stamps because, of course, they are being fed in prison. But nevertheless, there is food stamp abuse going on where someone in a household claims a prisoner to add to the food stamp benefits.

Mr. HARKIN. That is a good amendment.

Mr. DOMENICI. That had been accepted. We had failed to tell you we had already agreed.

Mr. HARKIN. I appreciate that. It is a good amendment.

Mrs. HUTCHISON. I thank the Senator from Iowa for accepting the amendment. I ask unanimous consent that it be adopted.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 446) was agreed to.

Mrs. HUTCHISON. Mr. President, I will send another amendment to the desk and ask for its immediate consideration. Then I want it to be set aside for future consideration.

The PRESIDING OFFICER. The clerk will report.

Mr. DOMENICI. Is this being submitted pursuant to the unanimous consent that it would be taken care of tomorrow?

Mrs. HUTCHISON. This is an amendment that we are placing—it is on the "DSH" issue, and we are going to do a place-holder amendment, but it was suggested I go ahead and put it in.

Mr. DOMENICI. It was on the list. Could you send it to the desk?

Mrs. HUTCHISON. I just want to formally submit the amendment.

AMENDMENT NO. 447

(Purpose: To modify the reductions for disproportionate share hospital payments)
June 24, 1997

CONGRESSIONAL RECORD — SENATE

S6151

AMENDMENT NO. 450

(Purpose: To provide food stamp benefits to child immigrants)

Mr. DURBIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Illinois [Mr. DURBIN] for himself, Mr. WELLSTONE, and Mrs. BOXER proposes an amendment numbered 450.

Mr. DURBIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title I, add the following:

SEC. 10. FOOD STAMP BENEFITS FOR CHILD IMMIGRANTS.

(a) In general.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding at the end the following:

"(E) CHILD IMMIGRANTS.—In the case of the program specified in paragraph (3)(B), in paragraph (1) shall not apply to a qualified alien who is under 18 years of age."

(b) Allocation of Administrative Costs.—Section 408(a) of the Social Security Act (42 U.S.C. 608(a)) is amended by adding at the end the following:

"(I) DESIGNATION OF GRANTS UNDER THIS PART AS PRIMARY PROGRAM IN ALLOCATING ADMINISTRATIVE COSTS.—"

"(A) In general.—Notwithstanding any other provision of law, a State shall designate the program funded under this part as the primary program for the purpose of allocating costs incurred in serving families eligible or applying for benefits under the State program funded under this part and any other Federal means-tested benefits.

"(B) Allocation of costs.—"

"(i) In general.—The Secretary shall require that costs described in subparagraph (A) be allocated in the same manner as the costs were allocated by State agencies that designated part A of title IV as the primary program for the purpose of allocating administrative costs before August 22, 1986.

(ii) Flexible allocation.—The Secretary may allocate costs under clause (i) differently, if a State can show good cause for or evidence of increased costs, to the extent that the administrative costs allocated to the primary program are not reduced by more than 33 percent.

(iii) Failure to Allocate Administrative Costs to Grants Provided Under This Part.—If the Secretary determines that, with respect to a preceding fiscal year, a State has not allocated administrative costs in accordance with paragraph (i), the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the succeeding fiscal year by an amount equal to—"

"(A) the amount the Secretary determines should have been allocated to the program funded under this part in such preceding fiscal year; minus

"(B) the amount that the State allocated to the program funded under this part in such preceding fiscal year."

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I know the hour is late but the subject is very important and in a few moments I would like my colleagues to consider what this amendment would do. During the course of passing the welfare reform bill, we made many changes in many programs in an effort to move people from welfare to work. There were several aspects of that bill—even though I supported the bill in its entirety—several aspects of that bill which were troubling, not the least of which was the reduction in nutritional assistance for children in the United States. The purpose of this amendment is to correct what I consider to be a very serious error and a serious problem in this legislation, because with this amendment we will restore food stamps for the children of legal immigrants.

Keep in mind that I have said legal immigrants. These are children legally in the United States who are in poverty and have been denied the protection and sustenance of the Food Stamp Program. It is a significant problem nationwide. Over 4,000 immigrant children in Illinois have lost their food stamps because of this welfare reform bill; over 283,000 nationwide. According to the Food Research Action Council survey of families living below 185 percent of poverty, hungry children suffer from two to four times as many individual health problems such as frequent colds and headaches, fatigue, unwanted weight loss, inability to concentrate and so on.

These children—hungry children—are often absent from school. They can have a variety of medical problems arising from nutritional deficiencies, not the least of which is anemia. Hungry children are less likely to interact with other people, explore and learn from their surroundings, and it has a negative impact on the ability of children to learn. We should be focusing on healthy children in America, not hungry children in America.

This amendment seeks to correct that problem by giving to these children the basic protection of food stamps.

Just a month or so ago, I visited the Cook County Juvenile Detention Center, a facility which, unfortunately, is doing quite a large business in juvenile crime. I spoke to the psychologist at that center and asked him what traits these kids who come in had in common. I would like to focus on one which he said was very common, a learning disability, a neurological deficit.

I said, "Where does that come from?"

He said it can come from improper prenatal nutrition, improper infant nutrition. These kids get a bad start, and with that bad start, they don't learn as well, they become frustrated, they fall behind—they become truant, they drop out, they become statistics, crime and welfare statistics which haunt us in this Chamber as we consider all of the ramifications of a child's failed life.
Many times we overlook the basics. I am happy that my colleagues tonight have addressed children’s health. I think that is something that should be a given in America, that we provide basic health care protection to all children. But can we then argue that children should go hungry at the same time? The children that would be protected by this bill would now be qualifying for food stamps. In my State of Illinois, many of the soup kitchens and other food providers have experienced a dramatic increase in demand for services by children since enactment of the welfare reform bill.

The Reverend Gerald Wise of the First Presbyterian Church in Chicago recently came to tell me that the pantry at the First Presbyterian in the extremely distressed Woodlawn neighborhood and the Pine Avenue United Presbyterian Church in the Austin neighborhood are stretched beyond capacity.

Fifty-two percent of the cities participating in the U.S. Conference of Mayors’ 1995 survey reported emergency food assistance facilities were unable to provide necessary resources, and that is before the welfare reform bill.

This amendment, which I have been joined in offering by Senator WELLSTONE and Senator BOXER, restores food stamp benefits to legal immigrant families with children 18 years and under. According to the CBO, it would cost the Treasury $750 million over 5 years.

We have established an offset in this bill from the administrative moneys being given to the Governors so that they can administer the new welfare reform bill, food stamps and other programs. Our amendment tries to ensure that Federal dollars are being used efficiently to make sure that direct benefits are given to needy children.

I am going to stop at this point, as I know some of my colleagues are waiting to offer an amendment and others have been here a long time. I hope tomorrow when this amendment comes to the floor that my colleagues on both sides of the aisle will join in a bipartisan spirit to help the children of legal immigrants. These children are likely to become naturalized citizens in America. We want them to be healthy, productive citizens, good students making this a better nation in which to live. If we are pennywise and pound foolish and cut these children short when it comes to one of the basic necessities of life, food itself, we may end up paying the price for decades and generations to come.

Let us do the right thing, the compassionate thing, yes, the American thing. Let us make sure that hungry children are provided for.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. DOMENICI. Mr. President, I have nothing other than we will take our minute tomorrow. Again, if this amendment is subject to a point of order, we have not waived the point of order tonight.

Mr. D’AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator is correct.

Mr. D’AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.
(3) FOR PURPOSES OF EXCEPTION FROM 5-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS.—Section 403(b)(1) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A)(iv)) is amended by adding at the end the following: "(D) an alien described in section 402(a)(2)(A)(iv)."

(4) FOR PURPOSES OF CERTAIN STATE PROGRAMS.—Section 412(b)(1) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1622(b)(1)) is amended by adding at the end the following new subparagraph:

"(D) an alien described in section 402(a)(2)(A)(iv)."

(b) FUNDING.—

(1) LEVY OF FEE.—The Attorney General through the Immigration and Naturalization Service shall levy a $100 processing fee upon each alien that the Service determines—

(A) is unlawfully residing in the United States;

(B) has been arrested by a Federal law enforcement officer for the commission of a felony; and

(C) merits deportation after having been determined by a court of law to have committed a felony while residing illegally in the United States.

(2) COLLECTION AND USE.—In addition to any other penalty provided by law, a court shall impose the fee described in paragraph (1) upon an alien described in such paragraph upon the entry of a judgment of deportation by such court. Funds collected pursuant to this subsection shall be credited by the Secretary of the Treasury as offsetting increased Federal outlays resulting from the amendments made by section 5817A of the Balanced Budget Act of 1997.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to the period beginning on or after October 1, 1997.

Mr. MCCAIN. Mr. President, I rise today to offer an amendment to S. 947, the Budget Reconciliation Act, that will redress what I assume to be an inadvertent omission in a section of this bill that discriminates against Amerasian children of U.S. military personnel who served in Vietnam.

My amendment will add a new provision to section 5817 to include Amerasian children to the category of legal aliens eligible for Medicaid. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 excluded from eligibility these children of American soldiers because they are admitted as refugees under section 207 of the Immigration and Nationality Act, under which refugees are excepted from the Welfare Region legislation's ban on Medicaid, SSI, and other forms of assistance. This amendment corrects that oversight.

Because there is a cost associated with this amendment, I propose to offset it by mandating that the Attorney General of the United States, acting through the Immigration and Naturalization Service, impose a $150 processing fee on each illegal alien deported from the United States who committed a felony while in this country. According to CBO, this will generate the revenue necessary to offset the cost of my amendment over the 5-year period for which the welfare bill excludes aliens from Medicaid eligibility.

I hope that I can count on my colleagues' support for this worthwhile amendment.
TITLE — BUDGET CONTROL

SEC. 01. SHORT TITLE; PURPOSE.

(a) SHORT TITLE.—This title may be cited as the "Bi-partisan Budget Enforcement Act of 1997".

(b) PURPOSE.—The purpose of this title is—

(1) to ensure a balanced Federal budget by fiscal year 2002; and

(2) to ensure that the Bi-partisan Budget Agreement is implemented; and

(3) to create a mechanism to monitor total costs of direct spending programs, and, in the event that actual or projected costs exceed targeted levels, to require the President and Congress to address adjustments in direct spending.

SEC. 02. ESTABLISHMENT OF DIRECT SPENDING TARGETS.

(a) IN GENERAL.—The initial direct spending targets for each of fiscal years 1998 through 2002 shall equal total outlays for all direct spending except net interest as determined by the Director of the Office of Management and Budget (hereinafter referred to in this title as the "Director") under subsection (b).

(b) INITIAL REPORT BY DIRECTOR.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this title, the Director shall submit a report to Congress setting forth projected direct spending targets for each of fiscal years 1998 through 2002.

(2) PROJECTIONS AND ASSUMPTIONS.—The Director's projections shall be based on legislation enacted as of 5 days before the report is submitted under paragraph (1). The Director shall use the same economic and technical assumptions used in preparing the current resolution on the budget for fiscal year 1998 (H.Con.Res. 84).

SEC. 03. ANNUAL REVIEW OF DIRECT SPENDING AND RECEIPTS BY PRESIDENT.

As part of each budget submitted under section 1105(a) of title 31, United States Code, the President shall provide an annual review of direct spending and receipts, which shall include—

(I) information on total outlays for programs covered by the direct spending targets, including actual outlays for the prior fiscal year and projected outlays for the current fiscal year and the 5 succeeding years; and

(II) information on the major categories of Federal receipts, including a comparison between the levels of those receipts and the levels projected as of the date of enactment of this title.

SEC. 04. SPECIAL DIRECT SPENDING MESSAGE BY PRESIDENT.

(a) TRIGGER.—If a submission submitted by the President under section ____03 indicates—

(I) that actual outlays for direct spending in the prior fiscal year exceeded the applicable direct spending target; or

(II) that outlays for direct spending for the current or budget year are projected to exceed the applicable direct spending target;

the President shall include in his budget a special direct spending message meeting the requirements of subsection (b).

(b) CONTENTS.—

(I) INCLUSIONS.—The special direct spending message shall include—

(A) an analysis of the variance in direct spending over the direct spending targets; and

(B) the President's recommendations for addressing the direct spending overages. If any, in the prior, current, or budget year.

(2) ADDITIONAL MATTERS.—The President's recommendations may consist of any of the following:

(A) Proposed legislative changes to recoup or eliminate the overage for the prior, current, and budget years in the current year, the budget year, and the 4 outyears, accompanied by a finding by the President that, because of economic conditions or for other specified reasons, only some of the overage should be recouped or eliminated by outlay reductions or revenue increases, or both.

(B) Proposed legislative changes to recoup or eliminate part of the overage for the prior, current, and budget year in the current year, the budget year, and the 4 outyears, accompanied by a finding by the President that, because of economic conditions or for other specified reasons, some legislative changes are warranted.

(c) PROPOSED SPECIAL DIRECT SPENDING RESOLUTION.—If the President recommends reductions consistent with subsection (b)(1)(A) or (B), the special direct spending message shall include the text of a special direct spending resolution implementing the President's recommendations through reconciliation directives instructing the appropriate committees of the House of Representatives and Senate to determine and recommend changes in laws within their jurisdictions. If the President recommends no reductions pursuant to (b)(2), the special direct spending message shall include the text of a special resolution concurring in the President's recommendation of no legislative action.

SEC. 05. REQUIRED RESPONSE BY CONGRESS.

(a) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider a concurrent resolution on the budget unless that concurrent resolution fully addresses the entirety of any overages contained in the applicable report of the President under section ____04 through reconciliation directives.

SEC. 06. RELATIONSHIP TO BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT.

Reductions in outlays or increases in receipts resulting from legislation reported pursuant to section ____05 shall not be taken into account for purposes of any budget enforcement procedures under the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 07. ESTIMATING MARGIN.

For any fiscal year for which the overage is less than one-half of 1 percent of the direct spending target for that year, the procedures set forth in sections ____04 and ____05 shall not apply.

SEC. 08. EFFECTIVE DATE.

This title shall apply to direct spending targets for fiscal years 1998 through 2002 and shall expire at the end of fiscal year 2002.
Mr. LAUTENBERG. Mr. President, we have one amendment that is still being considered.

Otherwise, I ask unanimous consent that it be in order to send 25 amendments to the desk on behalf of my Democratic colleagues, that the amendments be considered as read and laid aside to be voted on in sequence.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 475

(Purpose: to ensure that certain legal immigrants who become disabled are eligible for disability benefits)

On page 8971, strike line 9-11.

SENATE AMENDMENT 476

(Purpose: To enhance taxpayer value in auctions conducted by the Federal Communications Commission)

SECTION 4 RESERVE.

In any auction conducted or supervised by the Federal Communications Commission (hereinafter the Commission) for any license, permit or right which has value, a reasonable reserve price shall be set by the Commission for each unit in the auction, the reserve price shall establish a minimum bid for the unit to be auctioned. If no bid is received above the reserve price for a unit, the unit shall be retained. The Commission shall reassess the reserve price for that unit and place the unit in the next scheduled or next appropriate auction.

AMENDMENT NO. 477

(Purpose: To provide food stamp benefits to child immigrants)

At the end of title I, add the following:

SEC. 10. FOOD STAMP BENEFITS FOR CHILD IMMIGRANTS.

(a) IN GENERAL.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding at the end the following:

"(E) CHILD IMMIGRANTS.—In the case of the program specified in paragraph (3)(B), paragraph (1) shall not apply to a qualified alien who is under 18 years of age."

(b) ALLOCATION OF ADMINISTRATIVE COSTS.—Section 408(a) of the Social Security Act (42 U.S.C. 688(a)) is amended by adding at the end the following:

"(12) DESIGNATION OF GRANTS UNDER THIS PART AS PRIMARY PROGRAM IN ALLOCATING ADMINISTRATIVE COSTS.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, a State shall designate the program funded under this part as the primary program for the purpose of allocating costs incurred in serving families eligible or applying for benefits under the State program funded under this part and any other Federal means-tested benefits.

"(B) ALLOCATION OF COSTS.—

"(i) IN GENERAL.—The Secretary shall require that costs described in subparagraph (A) be allocated in the same manner as the costs were allocated by State agencies that designated part A of title IV as the primary program for the purpose of allocating administrative costs before August 22, 1996.

"(ii) FLEXIBLE ALLOCATION.—The Secretary may allocate costs under clause (i) differently, if a State can show good cause for or evidence of increased costs, to the extent that the administrative costs allocated to the primary program are not reduced by more than 33 percent.

"(13) FAILURE TO ALLOCATE ADMINISTRATIVE COSTS TO GRANTS PROVIDED UNDER THIS PART.—If the Secretary determines that, with respect to a preceding fiscal year, a State has not allocated administrative costs in accordance with paragraph (12), the Secretary shall reduce the grant payable to the State under section 603(a)(1) for the succeeding fiscal year by an amount equal to—

"(A) the amount the Secretary determines should have been allocated to the program funded under this part in such preceding fiscal year; minus

"(B) the amount that the State allocated to the program funded under this part in such preceding fiscal year.".

AMENDMENT NO. 478

(Purpose: To provide for medicaid eligibility of disabled children who lose SSI benefits)

On page 874, between lines 7 and 8, insert the following:

SEC. 5817A. CONTINUATION OF MEDICAID ELIGIBILITY FOR DISABLED CHILDREN WHO LOSE SSI BENEFITS.

(a) IN GENERAL.—Section 1902(a)(10)(A)(i)(II) (42 U.S.C. 1396a(a)(10)(A)(i)(II)) is amended by inserting "who lose SSI benefits") after "title XVI".

(b) OFFSET.—Section 2103(b) of the Social Security Act (as added by section 5801) is amended—

(1) in paragraph (2), by striking "and" at the end;

(2) in paragraph (3), by striking the period and inserting "; and";

(3) by adding at the end the following: 

"(4) the amendment made by section 5817A(a) of the Balanced Budget Act of 1997 (relating to continued eligibility for certain disabled children)");

(c) EFFECTIVE DATE.—The amendment made by subsection (a) applies to medical assistance furnished on or after July 1, 1997.
AMENDMENT NO. 493
(Purpose: To exempt severely disabled aliens from the ban on receipt of supplemental security income)

On page 874, between lines 7 and 8, insert the following:

SEC. 5817A. SSI ELIGIBILITY FOR SEVERELY DISABLED ALIENS.

Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)), as amended by section 5815, is amended by adding at the end the following:

"(i) SSI EXCEPTION FOR SEVERELY DISABLED ALIENS.—With respect to eligibility for benefits for the program defined in paragraph
(O)(A) relating to the supplemental security income program, paragraph (I), and the September 30, 1997 application deadline under subparagraph (G), shall not apply to any alien who is lawfully present in the United States and who has been denied approval of an application for naturalization by the Attorney General solely on the ground that the alien is otherwise unable to satisfy the requirements for naturalization."

AMENDMENT NO. 494
(Purpose: To provide for Medicaid eligibility of disabled children who lose SSI benefits)

On page 874, between lines 7 and 8, insert the following:

SEC. 5817A CONTINUATION OF MEDICAID ELIGIBILITY FOR DISABLED CHILDREN WHO LOSE SSI BENEFITS.

(a) IN GENERAL.—Section 1902(a)(10)(A)(ii)(D) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)(D)) is amended—

(1) by adding a new paragraph (ii) at the end;

(ii) in the first sentence by striking "(and"

(3) by adding the following:

(A) the use of nurse aide registries by States, including the number of nurse aides placed on the registries on a yearly basis and the circumstances that warranted their placement;

(B) the extent to which institutional environmental factors (such as a lack of adequate training or short staffing) contribute to cases of abuse and neglect at nursing facilities; and

(C) whether alternatives (such as a probationary period accompanied by additional training or mentoring or sanctions on facilities that create an environment that encourages abuse or neglect) to the sanctions that are currently applied under the Social Security Act for abuse and neglect at nursing facilities might be more effective in minimizing future cases of abuse and neglect.

(2) REPORT.—Not later than 2½ years after the date of enactment of this subsection, the Secretary of Health and Human Services shall prepare and submit to the appropriate committees of Congress, a report concerning the results of the study conducted under paragraph (1) and the recommendation of the Secretary for legislation based on such study.

AMENDMENT NO. 495
(Purpose: To establish a process to permit a nurse aide to petition to have his or her name removed from the nurse aide registry under certain circumstances)

On page 844, between lines 7 and 8, insert the following:

SEC. 5811. REMOVAL OF NAME FROM NURSE AIDE REGISTRY.

(a) MEDICARE.—Section 1819(g)(1)(C) of the Social Security Act (42 U.S.C. 1395g(1)(C)) is amended—

(1) in the first sentence by striking "The State" and inserting "(I) The State"; and

(2) by adding at the end the following:

'(I) In the case of a finding of neglect, the State shall establish a procedure to permit a nurse aide to petition the State to have his or her name removed from the registry upon a determination by the State that—

"(aa) the employment and personal history of the nurse aide does not reflect a pattern of abusive behavior or neglect; and

"(bb) the neglect involved in the original finding was a singular occurrence."

(II) In no case shall a determination on a petition submitted under clause (I) be made prior to the expiration of the 1-year period beginning on the date on which the name of the petitioner was added to the registry under this subparagraph.

(c) RETROACTIVE REVIEW.—The procedures developed by a State under the amendments made by this section shall apply to a petition submitted under section 1902(a)(10)(A)(ii)(D) of the Social Security Act for removal of a name from the registry on or after January 1, 1995.

(2) in paragraph (3), by striking the period at the end and inserting a semicolon.

(3) by adding at the end the following:

"(b) the neglect involved in the original finding was a singular occurrence."

(II) In no case shall a determination on a petition submitted under clause (I) be made prior to the expiration of the 1-year period beginning on the date on which the name of the petitioner was added to the registry under this subparagraph.

(3) by striking '(but that shall not preempt any State standards that are more stringent)' at the end of section 243(h) of such Act.

(4) by adding after subsection (c) the following:

"(d) STUDY AND REPORT.—(I) STUDY.—The Secretary of Health and Human Services under section 243(h) of such Act shall conduct a study to determine the extent to which institutional environmental factors (such as a lack of adequate training or short staffing) contribute to cases of abuse and neglect at nursing facilities; and whether alternatives (such as a probationary period accompanied by additional training or mentoring or sanctions on facilities that create an environment that encourages abuse or neglect) to the sanctions that are currently applied under the Social Security Act for abuse and neglect at nursing facilities might be more effective in minimizing future cases of abuse and neglect.

(II) REPORT.—Not later than 2½ years after the date of enactment of this subsection, the Secretary of Health and Human Services shall prepare and submit to the appropriate committees of Congress, a report concerning the results of the study conducted under paragraph (1) and the recommendation of the Secretary for legislation based on such study.

AMENDMENT NO. 496
(Purpose: To strike the limitation on the coverage of abortions)

On page 860, strike all matter after lines 10 and 11 and before line 12 of subsection (b) and insert the following:

"(b) USE LIMITED TO STATE PROGRAM EXPENDITURES.—Funds provided to an eligible State under this title shall only be used to carry out the purpose of this title.

AMENDMENT NO. 497
(Purpose: To clarify that risk solvency standards established for managed care entities under the Medicaid program shall not preempt any State standards that are more stringent)

On page 743, line 5, strike the period and insert (but that shall not preempt any State standards that are more stringent than the standards established under this subparagraph.)

AMENDMENT NO. 498
(Purpose: To allow funds provided under the welfare-to-work grant program to be used for the microloan demonstration program under the Small Business Act)

On page 888, between lines 22 and 23, insert the following:

"(VI) Technical assistance and related services that lead to self-employment through the microloan demonstration program under section 7(m) of the Small Business Act (15 U.S.C. 1388(m))

Mr. LAUTENBERG. Again, the first amendment on that list, Mr. President, is the Lautenberg amendment.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator recognizes the Senator from North Dakota.

Mr. LAUTENBERG. May we finish this up?

Mr. DOMENICI. I need to finish this work, if you don't mind.

Senator, I understand you did submit an amendment with reference to the illegals.

Mr. LAUTENBERG. Legal.

Mr. DOMENICI. Legal aliens.

AMENDMENT NO. 499
(Purpose: To provide SSI eligibility for disabled legal aliens)

Mr. DOMENICI. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 499.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike sections 5811 through 5814 and insert the following:

SEC. 5812. EXTENSION OF ELIGIBILITY PERIOD FOR CERTAIN OTHER QUALIFIED ALIENS FROM 5 TO 7 YEARS FOR SSI AND MEDICAID.

(a) SSI.—Section 402(a)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A)) is amended to read as follows:

"(i) SSI.—With respect to the specified Federal program described in paragraph (3)(A) paragraph 1 shall not apply to an alien until 7 years after the date—

(1) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(II) an alien is granted asylum under section 208 of such Act; or

(III) an alien's deportation is withheld under section 243(h) of such Act.

(ii) FOOD STAMPS.—With respect to the specified Federal program described in paragraph (3)(B), paragraph 1 shall not apply to an alien until 5 years after the date—

(1) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(II) an alien is granted asylum under section 208 of such Act; or

(III) an alien's deportation is withheld under section 243(h) of such Act.

"(b) MEDICAID.—Section 402(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)(A)) is amended to read as follows:

"(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLUM SEEKERS.—

"(i) SSI.—With respect to the specified Federal program described in paragraph (3)(A) paragraph 1 shall not apply to an alien until 7 years after the date—

(1) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(II) an alien is granted asylum under section 208 of such Act; or

(III) an alien's deportation is withheld under section 243(h) of such Act.

(b) MEDIcAID—Section 402(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)(A)) is amended to read as follows:

"(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLUM SEEKERS.—

"(i) SSI.—With respect to the specified Federal program described in paragraph (3)(A) paragraph 1 shall not apply to an alien until 7 years after the date—

(1) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(II) an alien is granted asylum under section 208 of such Act; or

(III) an alien's deportation is withheld under section 243(h) of such Act...
"(ii) Other designated federal programs.—With respect to the designated federal programs under paragraph (3) (other than subparagraph (C)), paragraph 1 shall not apply to an alien until 5 years after the date—

"(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

"(II) an alien is granted asylum under section 208 of such Act; or

"(III) an alien's application is withheld under section 243(h) of such Act.

"(c) Status of Cuban and Haitian entrants.—For purposes of sections 402(a)(1)(A) and 402(d)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2), (b)(2)(A), an alien who is a Cuban and Haitian entrant, as defined in section 501(e) of the Refugee Education Assistance Act of 1984, shall be considered a refugee.

 SEC. 5813. SSI eligibility for permanent resident aliens who are members of an Indian tribe.

Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) (as amended by section 5311) is amended by adding at the end the following:

"(F) PERMANENT RESIDENT ALIENS WHO ARE MEMBERS OF AN INDIAN TRIBE.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) relating to the supplemental security income program, paragraph (1) shall not apply to an alien who—

"(I) is lawfully admitted for permanent residence under the Immigration and Nationality Act, and

"(ii) is a member of an Indian tribe (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act).

 SEC. 5814. SSI eligibility for disabled legal aliens in the United States on August 22, 1996.

(a) Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2) (as amended by section 5813)) is amended by adding at the end the following:

"(G) SSI eligibility for disabled aliens.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply—

"(I) to an alien who—

"(i) is lawfully residing in any State on August 22, 1996; and

"(ii) is disabled, as defined in section 1614(a)(3) of the Social Security Act (42 U.S.C. 1382c(a)(3)); or

"(III) as of June 1, 1997, is receiving benefits under such program.

"(b) Funds shall be made available for not more than 2 years for elderly SSI recipients made ineligible for benefits after August 22, 1996.

Mr. DOMENICI. I wonder if the Senator from Delaware would mind taking over for me. We are only going to be another 10 minutes, and he can close it. I would appreciate that.

Senator LAUTENBERG. I will see you in the morning.

Mr. LAUTENBERG. I look forward to that.

Mr. DOMENICI. Have we run out of time under the bill?

The PRESIDING OFFICER. My understanding is that the time runs out at 9:15.

Mr. DOMENICI. You have plenty of time, Senator.

Several Senators addressed the Chair.

Mr. CONRAD. Mr. President, I yield to the distinguished Republican manager. I would like to reclaim my time at this point.

Mr. DOMENICI. I didn't know you had an amendment.

Mr. CONRAD. I have a point of order that I would like to raise.

Mr. DOMENICI. I wonder if we could finish this part of getting them in.

Mr. CONRAD. Yes. I would be happy to yield for that purpose.

POINT OF ORDER

Mr. CONRAD. I rise to make a point of order that section 5822 of this bill is extraneous and violates section 313(b)(1)(D) of the Budget Act, the so-called Byrd rule.

Mr. President, I urge my colleagues to join me in opposing what amounts to a $2 billion blank check for one State, the State of Texas.

The bill before us would require the Secretary of Health and Human Services to approve the privatization of all Federal and State health and human services benefit programs in the State of Texas without any hearings and without any opportunity to review the proposal or ensure that the goals of these programs are furthered by the proposal.

Mr. President, this is truly unprecedented. If we look at the potential impact from this one State waiver, we see that it affects 2.35 million Medicaid beneficiaries, 2.1 million food stamp recipients, 10 percent of all the food stamp recipients in the United States, nearly 1 million WIC recipients, and 20,000 children who are up for adoption or qualify for foster care assistance.

The Texas waiver amounts to a $2 billion blank check without the benefit of any Senator knowing what is in the proposal, because this is a proposal that has not been revealed to the U.S. Senate. There has been no waiver submitted.

We hear a lot of talk that it is a waiver. There has been no waiver submitted. This is a procurement document which, by law, is confidential and cannot be reviewed by the U.S. Senate. There have been no public hearings on this proposal—not one. Not a single Member here has had privy to what this procurement document involves. There are serious unanswered questions about whether taxpayers are protected from liability, mismanagement, or fraud.

Mr. President, let me go to the next chart. The contracting of human services has a very checkered record. I have produced reviews of just four situations which have occurred around the country, because I think before we leap off this precipice, we ought to know what is here. What is in this proposal? None of us have been privy to what is here.

Let me just review with my colleagues what we have seen in other agreements like this around the country. In California, an agreement with Lockheed Martin for a child support enforcement contract, harshly criticized in the California Assembly, slotted to cost $99 million, now projected to cost $260 million, cost overrun of 163 percent. The State of California stopped payment in February of 1997.

Limited contractor liability of only $44 million. Taxpayers have to pick up the rest—a disaster in California.

Do we want this to be repeated in Texas? Some will say, will, it won't happen in Texas. On what basis do they say that? Senator Lautenberg says what is in that procurement document—not a single one—because it is confidential.
Mr. President, before we do this, we ought to know what is in this procure-
ment document. We shouldn't be hand-
billing. We don't have to go to Texas or
other State. I wouldn't advocate this
for my State—a blank check that could
blow up on the taxpayers like these ex-
amples have blown up.

Let me just conclude with the Flori-
da Unisys contract, a Medicaid con-
tract. Unisys employee arrested for
fraud, forgery and money-laundering;
two others charged with racketeering;
much arrests; use of temporary employees, one of whom stole
almost a quarter of a million dollars.

And we are getting ready to approve
this kind of deal for the State of Texas
without any hearing, without any re-
view, without a single Senator know-
ing what is in the proposed agreement?
Mr. President, we ought to think very
carefully before we go down this path.

In Florida, authorities investigating
alleged Medicaid theft of $20 million.

Boy, if the warning lights aren't out
on this one, I don't know what it will
take.

Mr. President, we ought to review this
circumstance, have a chance to re-
view it, have hearings, and make a de-
termination if it makes any sense for
us to proceed on this basis. I think
there are serious and legitimate ques-
tions surrounding this proposed proc-
urement document.

The Texas waiver has serious unan-
swered questions. How do we prevent
the massive cost overruns and high
error rates that plague similar projects
in other States?

Do we protect against revolting-
door hiring, kickbacks, or other fraud?
Will the taxpayers be liable if a con-
tractor fails to enroll eligible individ-
uals?

You know, this is a fundamental re-
sponsibility of Government to make
certain that those who are eligible get
the benefits to which they are entitled.

Who pays for it if they enroll people
who are not eligible?

What happens to vulnerable Ameri-
cans who need these programs for basic
survival if the contractor has financial
incentives to minimize enrollment,
even of those who have every legal
right to be qualified?

Mr. President, I would like to quote
an editorial from the Salt Lake Trib-
une of April 27th. This is what the Salt
Lake Tribune said on April 27 of this
year:

Certain elements of a welfare program lend
themselves well to tactics of vouchers, or
other forms of privatization . . .

I think we all agree with that:

But when it comes to deciding who will re-
ceive public assistance or who should lose
custody of a child, the private sector has its
limits. If a private contractor's primary mission
is to make profits . . . services may be re-
duced . . . Government employees, on the
other hand, are subject to more public scruti-
ny and expected to promote the public
good within constitutional protections for
individuals.

Mr. President, let's not fix what isn't
broken.

Virtually every State is currently op-
portunities for developing, or planning the
development of an integrated, automated
eligibility and enrollment system for
TANF, food stamps, and Medicaid.

Thirty-eight States with Federally cer-
tified systems; three States installing;
five States developing; two States planning;
three States with State-developed

Let's not throw the baby out with
the baptism.

I urge my colleagues to support this
well-taken point of order.

I thank the Chair. I yield the floor.

Mr. ROTH. Mr. President, I move to waive the
point of order.

THE PRESIDING OFFICER. The Sen-
ator from Delaware.

MOTION TO WAIVE THE BUDGET ACT

Mr. ROTH. I move to waive the point of
order.

Mr. CONRAD. Mr. President, par-
liamentary inquiry.

The PRESIDING OFFICER. State the
inquiry.

Mr. CONRAD. Parliamentary in-
quiry. The motion to waive the point of
order has been raised. Will this be
the intention of the chairman?

Mr. CONRAD. That would be the
intent of the chairman.

Mr. President, would that be the in-
tent?

The PRESIDING OFFICER. That
would be the procedure.

Mr. CONRAD. I ask for the yeas and
nays.

The PRESIDING OFFICER. Is there a
sufficient second?

There is a sufficient second.

Mr. LAUTENBERG addressed the
Chair.

The PRESIDING OFFICER. The Chair
recognizes the Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I can't let this moment pass without
commending——

Mr. ROTH. Could the Senator yield
so I can send this amendment to the
desk for consideration?

Mr. LAUTENBERG. Yes, of course. I
would be happy to yield to the chair-
man of the Finance Committee. But I
expect to regain the floor.

AMENDMENT NO. 302

Mr. ROTH. Mr. President, I submit
an amendment on behalf of Senator
D'AMATO on Medicare, on the duplica-
tion provision for consideration to-
morrow.

The PRESIDING OFFICER. The clerk
will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] for
Senator D'AMATO, proposes an amendment num-
bered 302.

The amendment is as follows:

Section 1. In 42 U.S.C. §1395ss(d)(3)(A)(v),
inhibit "(c)" before "For", and after the first
sentence insert:

(b) For purposes of this subparagraph, a
health insurance plan which may be a con-
tract with a health maintenance organiza-
tion is not considered to "duplicate" health
benefits under this title or title XIX or under
another health insurance policy if—

(provides comprehensive health care
benefits that replace the benefits provided
by another health insurance policy.

(ii) is being provided to an individual enti-
tied to benefits under Part A or enrolled
under Part B on the basis of section 226(b),

(iii) coordinates against items and services
available or paid for under this title or title
XIX, provided that payments under this title
or title XIX shall not be treated as payments
under such policy in determining annual or
lifetime benefit limits.

insert "(d) before "For purposes of this clause"

The PRESIDING OFFICER. The Sen-
ator from New Jersey.

Mr. LAUTENBERG. Mr. President, I
want to commend our friend and col-
league from North Dakota for being aware of what is potentially
taking place here.

Mr. President, this is a small exam-
ple of the kind of document that you
might have that has all kinds of bad
goodies in here. One of the things
that you have to do around here is to make
certain that everybody is on the alert
to the fact that some things get into
these bills without being discussed,
without being formally introduced. It
has a way of sneaking in there. There
is an osmosis process in which they fall
down from the sky and get in there.
This is one that is really kind of sky-
high.

I express very serious concerns about
the perversion in this bill, that it will
allow, as the Senator from North Da-
kota said, in this case Texas, but any
State—to have private companies de-
termining the eligibility for low-income
benefits like Medicaid, WIC and food
stamps.

Mr. President, this is a budget rec-
CENSORED bill, not a Government
management reform bill. In my view, the privatization provision does not belong in fast-track legislation—fast track, that means to get it through here as quickly as you can—that is designed primarily to implement the budget resolution. This provision has no effect on the deficit except to potentially make it worse in the years ahead, and it would represent a significant policy change with broad-ranging implications.

I also note that this provision is outside of the bipartisan budget agreement. I also note that this provision is a product of one of the negotiating sessions because I personally sat there at every one of them, and it never appeared in any early drafts of the budget agreement.

This provision raises some very important policy questions. For example, will anyone get a profit incentive, as the Senator from North Dakota pointed out in his chart, to exclude people that they would rather not carry from low-income programs. Will they receive bonuses for doing so? Will they feel inclined to do so in order to win other State government contracts?

Now, Mr. President, I kind of grew up, if I can say, in the computer business, and we have seen some of the finest companies in the world make mistakes. We have seen it here with the FAA contract, a very complicated arrangement, whatever that arrangement was, it was pointed out that it was Unisys and EDS and names that are very well known in the computer field. Mistakes are made and sometimes these things run over the original cost estimate, as demonstrated in the example we saw, so we cannot afford to get all of our citizens subject to what might go awry here and spend $2 billion to take care of an arrangement, whatever that arrangement is. Ask every citizen here whether they would feel like kicking into this thing, and I am sure that given a proper incentive, they would feel like saying, "Heck, no." This is not for us and no State ought to be so privileged as to get that kind of an advantage.

Mr. President, the Department of Health and Human Services reports that there may be 3 million children eligible for Medicaid who are not enrolled in the program. It is a serious problem and I feel could even get worse under a privatization program. If private companies are put in charge of enrolling more children for Medicaid, would they really conduct aggressive outreach programs to enroll children, to encourage people to bring them in even if it meant that the State's Medicaid costs would go up? I would not bet on it.

I will be clear. I am not necessarily opposed to privatization of some Government services. However, it must be considered very carefully, especially when the lives of vulnerable Americans are at stake. This proposal really breaks new ground. For the first time, private interests would be handed complete power to make benefit decisions that are of critical importance to people with low incomes.

It is like turning our military over to private hands and letting them design what conflicts we are going to get involved with. The fact is that much of the allure of privatization is to save money, and I am sure that is the case. For example, Congress has to decide to have private companies operate some of its cafeterias and do some of its cleaning, and perhaps that translates into more savings and better service for congressional employees. But Congress has not considered if private companies in many functions of Government. Private companies are not allowed to operate our military installations, nor do we have private companies administer our Social Security system. We draw the line at some point.

I am concerned that privatizing decisions about benefits for low-income individuals may go over this line. At least, at the very least, it needs careful and thorough study. Yet, I understand that the Finance Committee has reviewed the details of the Texas waiver, has never seen the full proposal, and since the Senator from North Dakota is a member of the Finance Committee and talks about the secret nature of this agreement, that further confirms what the rest of us who are not on the Finance Committee might not know and that is that it has never had appropriate scrutiny, never had appropriate review.

Mr. CONRAD. Will the Senator yield on that?

Mr. LAUTENBERG. No. I cannot even believe it would be suggested, because that is such a dereliction of duty that I think everybody would be embarrassed if something like this took place. What do you mean? That a Secretary has no right to review the conditions under which we are spending the taxpayers' money?

Mr. CONRAD. If we think about this, these are programs with respect to food stamps and WIC that are 100 percent federally funded. The Medicaid Program is over 50 percent federally funded.

Mr. LAUTENBERG. The rest of it is State funded.

Mr. CONRAD. The rest of it is State funded. We would be in a position to endorse any proposal the State of Texas sent up here without any review, without any comment by the Secretary of Health and Human Services. That is the situation we are in with the proposal in the underlying legislation. I just ask the Senator, has he ever heard of such a proposal before the Senate?

Mr. LAUTENBERG. Never, not even in the years that I spent in the private sector, and I ran a pretty good-sized company with 16,000 employees when I left. It did better after I left. It now has 30,000 employees.

Never have I seen it. Never, when one works with Government, have I seen this kind of an arrangement. This is not on the peculiar odor, and it is not Chanel No. 5. The fact is that to give away Government funds in a program as sensitive as this to take care of the poor—listen, all of us have seen the abuses of private sector companies that have taken over health care and things of that nature. It just blows one away when you see that the president of a company that is in the health care business made $22 million in a single year and meanwhile is squeezing down because that is where the profits are going to come from, from cutting conditions. They are not running programs that are supposed to take care of people's health.

Well, do you want to have someone up there whose bonus, whose stock options, whose salary depends on making sure that they service as few people as reduce expenses, and as many people as possible when, in fact, the WIC Program is designed to take care of people who are really impoverished, people who need the nutrition that comes through the program to sustain them? So do you want to have some executive sitting at some remote place—and I let that executive do what I was not there, but it was never at the Government's expense—at Government expense. We see constant reference to cases being tried, investigations being conducted where programs were turned over to the private sector. I talk about the-like jails—we have tried that in New Jersey—which were dismal failures because they could not protect the guards sufficiently in these jails because they did not hire the right kind of people. They did not provide them with the right kind of tools. The facilities were not built enough to make sure the inmates incarcerated were properly cared for.

So we see this time and time again, and here we walk in and say, "OK, here is a bunch of poor people. You take care of them. Do the best you can at the best price you can." What an outrage.

Mr. CONRAD. Will the Senator yield for a final question?

Mr. LAUTENBERG. Sure. Mr. CONRAD. Is the Senator aware that under the proposal in the underlying legislation, we could have a private company decide the custody of a child? That this is so far-reaching without any limits we could be in a circumstance in which a private concern has the authority to decide the custody of a child? How does that strike the Senator from New Jersey?

Mr. LAUTENBERG. I will tell the Senator how it strikes me. I say thank God that the Senator from North Dakota has brought this to the attention of the Senate and to the public.
My friend has done a real service in doing this. The notion that an individual working for a private living, perhaps their salary dependent upon their ability to curtail services, is hardly the way you want to treat a sick patient in the hospital. That is hardly the way you want to treat a family problem. That is hardly the way you want to protect a mother who has been battered. That is hardly the way we want to do things in a society with the conscience this country has.

I am delighted, again, that the Senator introduced it. I am concerned that privatization like this is not going to do the job. Before we go ahead with approval of a waiver, we ought to at least hold a hearing and review the details. Mr. President, Congress has established these safety net programs for people in our society who are truly in need, impoverished. They are designed to ease suffering, to provide nutritional assistance to help children, help struggling people get into the work force to get themselves off welfare, to do whatever they can to sustain themselves. These programs can literally mean the difference between homelessness and independence, and we ought not to rush to hand them over to a private interest at this time, perhaps never, but we sure ought not to do it in the hasty manner that this is being undertaken. We can always revisit this issue, Mr. President, without constraints of a reconciliation bill.

I fully support the action being proposed by the Senator from North Dakota and commend him for it, I must tell you.

Mr. CONRAD. I thank the Senator from New Jersey. If I could just take a moment to further point out—I want to rivet this point—there have been no hearings, not a hearing in the Finance Committee, not a hearing in the Agriculture Committee. Members have not been granted the opportunity to question witnesses, experts, company, or advocates on the merits of privatizing eligibility determinations, protections against cost overruns or protections for recipients.

I really believe this is a totally unprecedented proposal that is buried in this very large document that sets a precedent that I believe is truly alarming. I hope my colleagues will support the point of order when we vote on it tomorrow. This is, I think, a circumstance in which a very broad proposal is being attempted, being made to ram it through Congress as part of privileged legislation. That is wrong. That is simply wrong. The issue deserves public hearings and full debate.

I thank the Chair, yield the floor, and I thank very much the Senator from New Jersey.

AMENDMENT NO. 503
(Purpose: To extend premium protection for low-income medicare beneficiaries under the medicaid program)
ORDERS FOR WEDNESDAY, JUNE 25, 1997

Mr. ROTH. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:20 a.m. on Wednesday, June 25. I further ask unanimous consent that on Wednesday, immediately following the prayer, the routine requests through the morning hour be granted, and Senator STEVENS be recognized for up to 10 minutes as if in morning business; that following Senator STEVENS' remarks,

the Senate then immediately resume consideration of the budget reconciliation bill and begin voting on or in relation to the pending amendments in the order in which they were offered in alternating sequence between each side of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROTH. For the information of all Senators, tomorrow morning Senator STEVENS will be recognized for up to 10 minutes. Following the remarks by Senator STEVENS, the Senate will resume consideration of the reconciliation bill. At 9:30 a.m. the Senate will proceed to a series of back-to-back rollcall votes on or in relation to a number of amendments which have been offered this evening, beginning with Senator GRAMM's amendment No. 444 and ending with final passage of S. 947 as previously ordered.

Also, by consent there will be 2 minutes of debate equally divided on each amendment prior to each vote. Therefore, Members can expect a lengthy series of back-to-back rollcall votes as the Senate disposes of all the amendments in order to the budget reconciliation bill.

Following final passage of S. 947, the Senate is expected to proceed to the consideration of S. 949, the Tax Fairness Act. All Senators wishing to offer amendments to S. 949 should be prepared to offer them during Wednesday's session of the Senate. Furthermore, Members can be expected to vote on amendments offered to the Tax Fairness Act beginning Wednesday afternoon. As previously announced, the next couple of evenings will be late ones as the Senate works to complete action on the Budget Act prior to the July 4 recess.
SENATE DEBATE

JUNE 25, 1997
The Senate resumed the consideration of the bill.

Pending:

Harkin amendment No. 428, to reduce health care fraud, waste, and abuse.

Gramm amendment No. 444, to provide waiver authority for penalties relating to failure to satisfy minimum participation rate.

Reed amendment No. 445, in the nature of a substitute.

Hutchison amendment No. 447, to modify the reductions for disproportionate share hospital payments.

Chafee/Rockefeller/Jefferds amendment No. 448, to clarify the standard benefits package and the cost-sharing requirements for the children’s health initiative.

Durbin/Wellstone amendment No. 450, to provide food stamp benefits to child immigrants.

D’Amato/Harkin amendment No. 451, to improve health care quality and reduce health care costs by establishing a National Fund for Health Research.

Domenici (for Murkowski) amendment No. 455, to confirm Title IV, Energy Title, to the provisions of the bill, with respect to the use of underutilized Strategic Petroleum Reserve facilities.

Domenici (for Abraham/Levin) amendment No. 458, to provide for inclusion of Stanly County, North Carolina in a large urban area under the Medicare program.

Domenici (for Helms) amendment No. 459, to provide for inclusion of Stanly County, North Carolina in a large urban area under the Medicare program.

Domenici (for McCain/Wyden) amendment No. 460, to provide for the continuation of certain State-wide medicaid waivers.

Domenici (for McCain) amendment No. 461, to provide for the treatment of certain Amerasian immigrants as refugees.

Domenici (for Jeffords) amendment No. 462, to require the Secretary of Health and Human Services to provide medicare beneficiaries with notice of the medicare cost-sharing assistance available under the medicare program for specified low-income medicare beneficiaries.

Domenici (for Jeffords) amendment No. 463, to provide for the evaluation and quality assurance of the children’s health insurance initiative.

Domenici (for Brownback) amendment No. 464, to establish procedures to ensure a balanced Federal funded program.

Domenici (for Allard) amendment No. 465, to expand medical savings accounts to families with uninsured children.

Domenici (for Grassley) amendment No. 466, to extend the authority of the Nuclear Regulatory Commission to collect fees through September 30, 2002.

Domenici (for Kyl) amendment No. 468, to allow medicare beneficiaries to enter into private contracts for services.

Domenici (for Specter) amendment No. 470, to extend protection for low-income medicare beneficiaries under the medicare program.

Domenici (for Specter) amendment No. 471, to strike the limitations on DSH payments to institutions for mental diseases under the medicare program.

Domenici (for Specter) amendment No. 472, to strike the limitations on Indirect Graduate Medical Education payments to teaching hospitals.

Domenici (for Burns) amendment No. 472, to provide that information contained in the National Directory of New Hires be deleted after 6 months.

Domenici (for Hutchinson) amendment No. 473, to clarify the number of individuals that may be treated as engaged in work for purposes of the mandatory work requirement for TANF block grants.

Domenici (for McCain) amendment No. 474, to provide for the extension and expansion of spectrum auction authority and to provide for the flexible use of electromagnetic spectrum.

Lautenberg amendment No. 475, to ensure that certain legal immigrants who become disabled are eligible for medicaid.

Lautenberg (for Kerrey) amendment No. 476, to enhance taxpayer value in auctions conducted by the Federal Communications Commission.

Lautenberg (for Durbin) amendment No. 477, to provide food stamp benefits to child immigrants.

Lautenberg (for Rockefeller) amendment No. 478, to require balance billing protections for individuals enrolled in fee-for-service plans under medicaid program under part C of title XVIII of the Social Security Act.

Lautenberg (for Dodd) amendment No. 479, to provide for medicaid eligibility of disabled children who lose SSI benefits.

Lautenberg (for Murray) amendment No. 480, to clarify family violence protection under the temporary assistance to needy families program.

Lautenberg (for Dodd) amendment No. 481, to amend the provision with regard to transfer cases.

Lautenberg (for Levin) amendment No. 482, to allow vocational educational training to be counted as a work activity under the temporary assistance for needy families program for 24 months.

Lautenberg (for Wyden) amendment No. 483, to provide for the continuation of certain State-wide medicaid waivers.

Lautenberg (for Harkin) amendment No. 484, to make community action agencies, community development corporations and other non-profit organization eligible for welfare work in schools.

Lautenberg (for Feinstein) amendment No. 485, to provide that the hospital length of stay with respect to an individual shall be determined by the attending physician.

Lautenberg (for Feinstein) amendment No. 486, to provide additional funding for State emergency health services furnished to undocumented aliens.

Lautenberg (for Feinstein) amendment No. 487, to provide for the application of disproportionate share hospital-specific payments in respect to California.

Lautenberg (for Wellstone) amendment No. 488, to provide for actuarially sufficient reimbursement rates for providers.

Lautenberg (for Mikulski) amendment No. 489, to reinstate the requirements for provider payment rates.


Lautenberg (for Baucus) amendment No. 491, to prohibit cost-sharing for children in families with incomes that are less than 150 percent of the poverty line.

Lautenberg (for Kennedy) amendment No. 492, to ensure the provision of appropriate benefits for uninsured children with special needs.

Lautenberg (for Kennedy) amendment No. 493, to exempt severely disabled aliens from the ban on receipt of supplemental security income.

Lautenberg (for Conrad) amendment No. 494, to provide for medicaid eligibility of disabled children who lose SSI benefits.

Lautenberg (for Conrad) amendment No. 495, to establish a process to permit a nurse aide petition to have his or her name removed from the nurse aide registry under certain circumstances.

Lautenberg (for Kerry) amendment No. 496, to strike the limitation on the coverage of abortions.

Lautenberg (for Kohl) amendment No. 497, to clarify that risk solvency standards established for managed care entities under the medicare program and any State standards that are more stringent.

Lautenberg (for Harkin) amendment No. 498, to allow funds provided under the well-work grant program to be used for the microloan demonstration program under the Small Business Act.

Domenici amendment No. 499, to provide for SSI eligibility for disabled legal aliens.

Domenici (for Chafee/Rockefeller) amendment No. 500, to require that any benefits package offered under the block grant option for the children’s health initiative includes hearing and vision services.

Domenici (for Chafee/Rockefeller) amendment No. 501, to require that any benefits package offered under the block grant option for the children’s health initiative includes hearing and vision services.

Roth (for D’Amato) amendment No. 502, to establish a Medicare anti-duplication provision.

Lautenberg (for Rockefeller) amendment No. 504, to provide for disproportionate share hospital-specific payments in respect to California.

Roth amendment No. 506, to make technical corrections and revisions.

Roth (for Lott) amendment No. 507 (to amendment No. 501), in the nature of a substitute.
Roth (for Lott) amendment No. 508 (to amendment No. 500), in the nature of a substitute.
Roth (for Lott) amendment No. 509 (to amendment No. 492), in the nature of a substitute.
Lautenberg (for Rockefeller) amendment No. 510, to require that any benefits package offered under the block grant option for the children’s health initiative includes hearing and vision services.
Roth amendment No. 511, to provide a substitute for the children’s health insurance initiatives.
Chafee amendment No. 512 (to amendment No. 511), to clarify the standard benefits package and the cost-sharing requirement for the children’s health initiative.
Roth (for Lott) amendment No. 513 (to amendment No. 510), in the nature of a substitute.
Roth (for DeWine) amendment No. 427, to continue full-time-equivalent resident reimbursement for an additional one year under medicare for direct graduate medical education for residents enrolled in combined approved primary care medical residency training programs.

Motion to waive a point of order that Section 5822 of the bill violates section 313(b)(1)(A) of the Congressional Budget Act.
Motion to waive section 310(d) of the Congressional Budget Act with respect to consideration of Reed amendment No. 445, listed above.
Motion to waive section 305(b)(2) of the Congressional Budget Act with respect to consideration of D’Amato amendment No. 451, listed above.

The PRESIDING OFFICER. There will now be a series of votes on or in relation to the amendments not yet disposed of, in the order they were offered but alternating between parties.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum until the floor leader arrives.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. What is the pending business, Mr. President?

AMENDMENT NO. 428

The PRESIDING OFFICER. The question is on agreeing to the Harkin amendment No. 428.

The amendment (No. 428) was agreed
The PRESIDENT pro tem. The question now is on amendment No. 450. Mr. DOMENICI. Mr. President, I make a point of order that the Durbin amendment is not germane. 

Mr. BREAUX. I have a unanimous consent. I ask unanimous consent Michelle Prejean, a member of my staff, be allowed floor privileges today. 

The PRESIDENT pro tem. Without objection, it is so ordered. 

Mr. DOMENICI. I make a point of order that the Durbin amendment No. 450 is out of order, is not germane. 

Mr. DURBIN. Mr. President, I object to that. 

First, I make a unanimous-consent request. 

Mr. President, I ask unanimous consent that Anne Marie Murphy be allowed privileges of the floor during the debate. 

The PRESIDENT pro tem. Without objection, it is so ordered. 

Is the Senator from Illinois moving to waive? 

Mr. DURBIN. Mr. President, I am moving to waive the provisions of the Budget Act for consideration of this amendment, and I ask for the yeas and nays after the debate on this amendment. 

The PRESIDENT pro tem. Is there a sufficient second? There is a sufficient second. 

The yeas and nays were ordered. 

The yeas and nays were ordered. 

The Senator from Illinois. 

Mr. DURBIN. Mr. President, I might say to my colleagues in the Senate this amendment seeks to right a wrong. It seeks to provide food stamp coverage for the children of legal immigrants to the United States. The welfare reform bill cut off food stamp protection for over 200,000 children across the United States into a position where they do not have adequate nutrition. 

It does not do our Nation a bit of good to deny these children food at a moment in their lives when it is important to their development. These kids are likely to become American citizens. They are likely to be our neighbors. They are likely to be our future workers. 

Let us resolve that although we are trying to eradicate welfare as we know it, we will not take it out on the kids. The money that is used to pay for the food stamps for the children of these legal immigrants is an offset that comes from the administrative costs sent to the States. This is money that should be dedicated for the better purpose of feeding hungry, deserving children. 

I ask my friends, regardless of your position on welfare reform, to make sure that we are dedicated in America to healthy children, not hungry children. I hope you will consider voting to waive the provisions of the Budget Act and approval of this amendment. 

The PRESIDENT pro tem. The Senator from New Mexico. 

Mr. DOMENICI. Mr. President, the agreement that was put together with the President contains some food stamp changes. They have been adopted by the committees. We have never agreed on this one. In fact, it was not even brought up by the administration. 

This amendment amends the welfare reform bill of last year by requiring food stamp benefits to child immigrants, paid for with State administrative moneys. 

I yield remaining time on our side. 

VOTE ON MOTION TO WAIVE THE BUDGET ACT 

The PRESIDENT pro tem. The question is on agreeing to the motion of Senator DURBIN to waive the Budget Act for the consideration of amendment No. 450. 

The yeas and nays have been ordered. 

The clerks will call the roll. 

The legislative clerk called the roll. 

The yeas and nays have been ordered. Mr. DOMENICI. Mr. President, the agreement that was put together with the President contains some food stamp changes. They have been adopted by the committees. We have never agreed on this one. In fact, it was not even brought up by the administration. 

This amendment amends the welfare reform bill of last year by requiring food stamp benefits to child immigrants, paid for with State administrative moneys. I yield remaining time on our side. 

VOTE ON MOTION TO WAIVE THE BUDGET ACT 

The PRESIDENT pro tem. The question is on agreeing to the motion of Senator DURBIN to waive the Budget Act for the consideration of amendment No. 450. 

The yeas and nays have been ordered. The clerk will call the roll. The legislative clerk called the roll. The PRESIDENT pro tem. Are there any other Senators in the Chamber desiring to vote? 

The yeas and nays resulted—yeas 48, nays 52, as follows: 

[Rollcall Vote No. 116 Leg.] 

YEAS—48 

Akaka... 

Alford... 

Allard... 

Ashcroft... 

Bennett... 

Bond... 

Brownback... 

Burns... 

Byrd... 

Campbell... 

Coats... 

Cochenour... 

Craig... 

DeWine... 

Domenici... 

East... 

Faircloth... 

Frakt... 

Gorton... 

Graham... 

Grassley... 

Gregg... 

Hagel... 

Hatch... 

Helms... 

Hutchinson... 

Hutchison... 

Inhofe... 

Jeffords... 

Kempthorne... 

Kyl... 

Lott... 

Lugar... 

Mack... 

McCain... 

McConnell... 

Mynhian... 

Murkowski... 

Nichles... 

Roberts... 

Roth... 

Saxton... 

Sessions... 

Shelby... 

Smith (NH)... 

Smith (OR)... 

Stevens... 

Thamas... 

Thompson... 

Thurmond... 

Warner... 

Yeates... 

NAYS—52 

Abraham... 

Allard... 

Ashcroft... 

Bennett... 

Bond... 

Brownback... 

Burns... 

Byrd... 

Campbell... 

Coats... 

Cochenour... 

Craig... 

DeWine... 

Domenici... 

East... 

Faircloth... 

Frakt... 

Gorton... 

Graham... 

Grassley... 

Gregg... 

Hagel... 

Hatch... 

Helms... 

Hutchinson... 

Hutchison... 

Inhofe... 

Jeffords... 

Kempthorne... 

Kyl... 

Lott... 

Lugar... 

Mack... 

McCain... 

McConnell... 

Mynhian... 

Murkowski... 

Nichles... 

Roberts... 

Roth... 

Saxton... 

Sessions... 

Shelby... 

Smith (NH)... 

Smith (OR)... 

Stevens... 

Thamas... 

Thompson... 

Thurmond... 

Warner... 

Yeates... 

The PRESIDENT pro tem. The vote the yeas are 48, the nays are 52. 

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. 

The point of order is sustained and the amendment falls.
Mr. DOMENICI. Mr. President, I withdraw my amendment No. 49 regarding the subject matter of the Lautenberg amendment. It is amendment 499, excuse me. It is 49 on our list. No. 499.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The amendment (No. 499) was withdrawn.

AMENDMENT NO. 415

Mr. DOMENICI. We have agreed to accept the Lautenberg amendment and taking it to conference. We think it is the best way to resolve this issue which is between the two Houses and the White House. We all have different versions. And we agree to accept the amendment. I yield to him now for his minute.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. I thank the Chair. I thank the chairman of the committee for accepting this.

The purpose of the amendment is very simple. It is to provide fairness for people who come to this country legally, who paid their taxes in good faith and played by the rules, and then perhaps suffer from a serious disability caused by an accident or a serious illness.

Whatever the cause, they are here at our invitation, left unable to work and unable to support themselves. And so, Mr. President, the budget agreement includes a very specific provision to ensure that these people get help. Unfortunately, the bill before us provides funding for only 1 year of these benefits. I hope we will be able to hold this amendment. It is very important. I think it establishes our attitude about those who have come here at our invitation, and we say, pay your taxes, do your work, and then we want to take them out of the protection stream.

So I hope that this amendment, which will restore them personally, will take care of it.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 475) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.
Mr. DOMENICI. The amendment we are going to is amendment No. 461, the McCain amendment. Might we proceed to amendment 461?

Mr. DOMENICI. I do.

Mr. LAUTENBERG. Mr. President, I was saying we have no objection. We ought to move on, move this along.

Mr. DOMENICI. We yield any time we have.

Mr. BYRD. Mr. President, will the distinguished Senator repeat the statement? There is so much noise and confusion that I for one could not understand what Senator DOMENICI was saying.

Mr. DOMENICI. This McCain amendment would reclassify certain Amerasian immigrants as refugees. Thus, they would be entitled to benefits of people similarly situated. The amendment costs about $1 million per year, and those on our side who handle these matters have indicated they are willing to accept it. I understand the minority is willing to accept it.

Mr. LAUTENBERG. We have no objection.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment. The amendment (No. 461) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. LAUTENBERG. I move to lay that motion on the table. The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question occurs on the Dodd amendment, No. 479. The Senator from Connecticut.

Mr. DODD. Mr. President, I hope this amendment will be agreed to. This is an amendment I think all of our colleagues can support. I am offering it on behalf of myself and the Senator from North Dakota, Senator CONRAD. It will preserve the Medicaid coverage for some 30,000 children who, if we do nothing else, are going to lose it. These are the most severe disabled children in the country. This was a slip, more than anything else, I think, when we passed the welfare reform law last year. We learned these children might lose their Medicaid coverage as a consequence of losing their SSI. Since then there has been a broad agreement we should step in and try to preserve health care for the most needy of all children. In fact, the bipartisan budget agreement called for continued Medicaid coverage for these children. So, this amendment merely plugs that gap that we had all agreed on. It simply honors the agreement. Its cost is modest. It is about $100 million over 5 years.

I can argue if we can find $16 billion to provide insurance for kids who lack it, surely we could set aside a fraction of that to provide insurance for children who stand to lose it. That is what we are faced with. If we do not do this, these 30,000 severely disabled children would be cut off.

Mr. LAUTENBERG. Mr. President, I rise in support of this amendment to
restore Medicaid coverage for children who were removed from the SSI rolls in last year’s welfare bill.

Mr. President, last year’s welfare bill significantly restricted the types of disabilities that enable a child to qualify for the Supplemental Security Income Program. In some cases, the same disability that will qualify an adult for SSI now will be insufficient to qualify a child. Among the children most likely to benefit from these changes, and the disabled children who otherwise would join the ranks of the uninsured.

So, Mr. President, I hope my colleagues will stand with these 30,000 disabled children and their families, and will support this amendment.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, first of all let me say it is the position of the committee of jurisdiction that these children are covered under the $16 billion child care provisions of the bill. Since that is the case, I first would ask the Senator if he would like to withdraw the amendment and confirm that. If not, I would make a point of order against the amendment and he would have to get 60 votes to pass it.

Mr. DODD. I realize we are running out of time. Let me, on the Senator’s time—I raised this earlier, I say to the distinguished Chairman of the Budget Committee. We are not convinced that is the case. I understood that was the argument made to me and that has not been confirmed. So we are running the risk here, if it is not the case. I would rather adopt the amendment. If it turns out it is not, then we protected these children. If you do not do it, it’s not part of the $16 billion, 30,000 disabled children lose their Medicaid benefits. We have to do it by law, and I would rather err on that side and err on the other side.

Mr. DOMENICI. I do greatly respect the Senator, I respect all Senators. But we really are operating on a 1-minute rule for each side. I think if we are going to speak longer we ought to get consent of the Senate to do that, and I do not address that just to Senator Dodd.

We contend they are covered. I make a point of order under section 310 of the Budget Act.

Mr. DODD. I move to waive that. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The motion is second.

The yeas are 49, the nays are 51. There is a sufficient second.

The PRESIDING OFFICER. The yeas and nays have been ordered.

The yeas and nays were ordered.

There is a sufficient second.

Mr. DOMENICI. I do greatly respect the Senator, I respect all Senators. But we really are operating on a 1-minute rule for each side. I think if we are going to speak longer we ought to get consent of the Senate to do that, and I do not address that just to Senator Dodd.

We contend they are covered. I make a point of order under section 310 of the Budget Act.

Mr. DODD. I move to waive that. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.
Mr. DOMENICI. Senator KENNEDY has an amendment, No. 493, Kennedy-Lautenberg, introduced it for Senator KENNEDY, to exempt severely disabled aliens from the ban on receipt of supplemental income. It is at the desk. I indicate from our side that there is no objection. I understand from the Democratic side there is no objection.

Senator KENNEDY, is that correct?

Mr. KENNEDY. That is correct. I thank the chairman of the committee for his consideration. It is a serious issue and a heartrending issue for many different individuals. The willingness to accept this amendment is something we are very, very appreciative of. If I might just say a few words about it.

Under the budget reconciliation bill, legal immigrants who are already in this country can keep their SSI benefits. But for those who come in the future, SSI is only for citizens. They have to become citizens to qualify in the future, so your sponsor must take care of you until then.

This amendment creates a small exception to that rule. It enables immigrants who are too disabled to qualify for citizenship to retain their SSI eligibility.

Some immigrants and refugees—though not many—become too disabled to qualify for citizenship. Under this bill, their sponsors have to care for them for life. If they don’t have sponsors, they have nowhere to turn.

One example is Vien Vu. His family fled Vietnam after years of serving side-by-side with the United States Armed Forces. But Vien Vu has Downs syndrome. He is 34 years old. The rest of his family has become American citizens but Vien will never qualify for citizenship. His family needs SSI to care for him for the rest of his life.

Mendel Tsadovich is a Latvian Holocaust survivor who is too mentally retarded to qualify for naturalization. In 1992, he and his family escaped as refugees from the anti-Semitism of the former Soviet Union. He is now 61 and living in New York. He is the only surviving member of his family, and depends on SSI for assistance. He has no sponsor.

Vien and Mendel are the lucky ones. They arrived before passage of last year’s welfare law. So the reconciliation bill will continue their SSI coverage. But what about the Viens and Mendels who arrive in the future?

With the passage of the Lautenberg amendment this morning, my amendment costs almost nothing. CBO scores it as having little budget impact. So, we can help all those like Vien and Mendel and still balance the budget by 2002.

The number of immigrants this amendment affects is small, perhaps only a few thousand people a year. But these immigrants often depend on SSI benefits for their survival. If they do not have the ability to become citizens, Congress should not deny them the SSI benefits they need.

Mr. DOMENICI. Mr. President, I have a couple of seconds. I want to say, some may ask why I accepted this. Actually, it’s a very tiny group of people. It covers those who are so seriously disabled that the disability disqualifies
for skilled nursing facilities, home health, and outpatient entities, and includes greater choice—and expanded preventive benefits—for millions of Medicare beneficiaries. As a cosponsor of the original Chafee-Rockefeller child health bill, I'm delighted that this bill contains $16 billion in expanded health care for America's children, most of whom live in the home of an American worker.

Someday, our children will be grateful for the $16 billion we invested in their health care. Mr. President. And they will be grateful that we succeeded today in saving $137 billion in future debt—debt we will not ask them to pay.

But our children will not be grateful if we don't take this opportunity in this budget to tackle long-term entitlement reform in a systemic way.

We all know the statistics. While entitlements and interest on the national debt represented just 30 percent of our budget in 1963, they will absorb 70 percent by the year 2002. And even more alarmingly, if we don't make changes in the way we do business around here, entitlements and interest on the debt will absorb the entire Federal revenue base by the year 2012. How then can we responsibly invest in our children? How can we sustain the transportation infrastructure needed to support a thriving economy in the next century? How do we pay our soldiers, repair our subs and carriers, and invest in the technology we need to remain the last great superpower on Earth?

Mr. President, the fact that the vast majority of economists have told us that we need to adjust the consumer price index to accurately reflect inflation, we have no legislative CPI adjustment in this package. Opponents say that since we don't need a legislative CPI adjustment to balance the budget in 5 years, it's not in this plan. But what about when that baby-boom generation retires? Mr. President, when just three workers—and then two—will support each Social Security beneficiary?

The Finance Committee had the courage to include a provision in this bill to gradually increase the eligibility age for Medicare from 65 today to 67 by the year 2027. This provision has been under assault—and will continue to be—from many sides. Some who oppose it argue that this is not the time. And while I'm committed to identifying methods to provide access for those who may encounter a lapse in coverage—and this bill creates a bipartisan commission that will look at the feasibility of a Medicare buy-in program—when will the time be right? We had to take in support of this eligibility increase in the Senate and we have to fight to retain it in conference.

Finally, the home health copay and the affluence testing for wealthy seniors which were included in the committee mark and which were supported by the majority of the Senate during two rollcall votes held yesterday will likely not survive conference as well, Mr. President. These provisions are in danger even though we all know we have to find responsible ways to reduce the Federal cost of Medicare. While affluence testing of part B premiums is a good public policy, it is good public policy. It is simply indefensible to require lower income families, many who cannot afford health insurance for their own children today, to continue to help subsidize 75 percent of the Medicare premiums of wealthy seniors.

Mr. President, to fulfill our obligation to leave our children a strong economic future and a quality of life equal to the one we inherited from our own parents. The first step is to balance our budget—and I hope the bill before us accomplishes that goal. The next step—and it is an essential one—is to tackle long term, systemic entitlement reform that will protect both the solvency of Medicare and Social Security and the economic security of the generations that follow us.

I hope the conferees will not make those goals even harder to achieve in the future.

With that plea, Mr. President, I yield the floor.

THE BUDGET RECONCILIATION BILL MUST PROTECT LEGAL IMMIGRANTS

Mr. KENNEDY. Mr. President, I continue to be concerned about actions by Congress that hurt legal immigrants.

Last year, Congress passed a so-called welfare reform bill. This harsh bill cut off legal immigrants from most Federal assistance programs for the first time in history. It permanently banned legal immigrants from SSI and food stamps. It banned them for 5 years from AFDC, Medicaid, and other programs. And, it gave the States the option of permanently banning them from these programs.

We quickly saw the effect of these extreme provisions. Panic spread through the immigrant community. The Social Security Administration sent notices to legal elderly and disabled immigrants that they would soon lose their SSI benefits. Numerous reports in the press told of legal immigrants who would be turned out of nursing homes, or cut off from disability payments. Some legal immigrants took their own lives, rather than burden their families. Thankfully, many Members of Congress realized that these provisions went too far.

This budget reconciliation bill corrects many of those mistakes. Members of the Finance Committee and Budget Committee showed impressive leadership in developing this bill. They recognized that the immigrants affected by last year's harsh cuts are individuals and families who came here legally. By and large, they are family members—mothers, fathers, and sons, daughters—of American citizens. They play by the rules, pay their taxes, and serve in the Armed Forces. They can be drafted. They can volunteer. We have hundreds of them in Bosnia today.
They are future citizens trying to make new lives for themselves and their families in this country. I commend the committees for working so hard to come up with a bipartisan proposal.

This bill allows legal immigrants who are already receiving SSI to continue their SSI payments. It preserves SSI coverage for immigrants already in the United States who become disabled in the future, and for future immigrants who are too severely disabled to go through the process of naturalization to become citizens. It extends the exemption for refugees from 5 to 7 years. It exempts children from the 5-year ban on Medicaid eligibility.

There is still much more to be done to correct the problems created for immigrants by last year's welfare reform law. But, overall, this bill makes worthwhile progress toward restoring a safety net for immigrants who fall on hard times. I hope that Senators will do all they can to see that the immigrants provisions in this bill are retained in the Senate-House conference and final bill.

MEDICARE REFORM

Mr. GRAMS. Mr. President, I rise today in support of some very important Medicare reforms made within the reconciliation bill before us. Specifically, I am pleased the committee included reforms to the formula used to determine the reimbursement rate for health plans under the Medicare Program to make it fairer and more equitable for States like Minnesota and other parts of rural America, changes to ensure better access to emergency medical services, and an expansion of Medical Savings Accounts.

Reform of the Adjusted Average Per Capita Cost formula has been needed for years because the formula has discriminated against seniors who choose to live and retire in rural communities. It has penalized States like Minnesota which are efficient in delivering health care services, and in doing so, discouraged quality health care. Since being elected to the Senate in 1994, I have made restoring fairness and equity to Medicare recipients in Minnesota and other parts of rural America a top priority.

Mr. President, we are all aware of the fact that the current Medicare reimbursement formula discriminates against Minnesota by giving our State the second-lowest payment rates in the Nation. Not one county in the entire State of Minnesota, or in 15 other States, receives the national average of $467 in AAPCC payment per month.

Because of these low reimbursement rates, managed care organizations have been discouraged from offering our senior citizens many of the alternative health plans available in other parts of the country, plans which offer additional benefits such as eyeglasses and prescription drugs. Clearly, this is a problem which should have been addressed long ago.

In February, several of my colleagues and I introduced S. 359, the Medicare Payment Equity Act, which would have established a floor of 80 percent of the national adjusted capitation rate for the year and made the AAPCC formula more equitable by blending the national and county specific percentage. More recently, I cosponsored S. 882, authored by Senator GRASSLEY, which followed the same lines of reform and which represented what was ultimately passed by the Finance Committee. Under the leadership of Finance Chairman ROTH and through the tireless efforts of Senators THOMAS, BURNS, GRASSLEY, and ROBERTS, we have succeeded in beginning to fix the Medicare formula to make it fairer for Minnesota’s seniors and right some of the wrongs against us.

The AAPCC reforms contained in the reconciliation bill are a very important step in restoring fairness and providing greater choices for Medicare recipients who live in Minnesota, particularly in rural communities. This truly represents a great victory for Minnesota’s senior citizens as we close the longstanding gap of inequity in the Medicare Program.

Mr. President, this legislation also addresses another important issue in which I have been deeply involved. In January Senator GRAMM and I introduced S. 238, the Emergency Medical Services Efficiency Act, to establish a reasonable standard for determining Medicare reimbursement for EMS services. Our bill would ensure that EMS providers would be reimbursed based on a prudent layperson standard, rather than the ultimate diagnosis of a physician. This revised definition will ensure that EMS providers are prepared to meet the challenges facing them as they work to improve their services.

All of us depend daily on the readiness, efficiency, and immediate response of our emergency medical system. And while many of us take it for granted, we all want it to work well when we need it. Many of the men and women who risk their lives delivering emergency care have told me the system can be improved, yet their desire to improve the services they provide has rarely been recognized by Congress. This provision in the reconciliation bill is the first step in helping EMS providers help themselves become more efficient. I would like to thank Senator GRAHAM for his efforts in the Finance Committee to see that this important issue was included in the package.

Finally, I would like to thank Chairman ROTH for his efforts to include an expansion of Medical Savings Accounts. In developing a Medicare Choice Program modeled on the Federal Employee Health Benefits plan, this will offer, for the first time, a real choice to America’s seniors.

Again, I commend and thank Chairman ROTH and his Finance Committee colleagues for including these important changes in the reconciliation spending package.
"marked and severe functional limitations" to become eligible for Supple-
mental Security Income [SSI] disability benefits. Additionally, under these
new rules up to 300,000 children who are
currently eligible for SSI will undergo
a redetermination assessment over the
next several months.

On February 11, 1997, in an attempt
to implement these provisions, the So-
cial Security Administration issued in-
terim final regulations that require a
level of disability that meets or equals
the listings of impairments criteria. As
stated in a letter written by nine of my
colleagues and me to the President in
April, I believe this regulation estab-
lishes an overly severe standard that
misinterprets the intent of Congress to
reform the SSI program for children
with disabilities. SSA's test would re-
move up to 135,000 SSI disabled chil-
dren this year alone. Thus, thousands
of severely disabled children would face
a loss of needed SSI benefits—contrary
to the will of Congress.

I believe the Social Security Admin-
istration should establish a comprehen-
sive functional test at a stricter sever-
ity level than the former individualized
functional assessment test, but one
that does not harm children with seri-
ous disabilities. A test protecting chil-
dren with severely disabling condi-
tions—including those with one
marked and one moderate condition—
would accurately reflect the intent of
Congress. The administration has esti-
mated this test would terminate 45,000
children this year, and close to 250,000
over 5 years.

Mr. President, I have already heard
from constituents in my State of Ver-
mont whose children will soon lose
their SSI benefits. These families have
nowhere else to turn. Such predic-
ament present troubling moral and
budgetary questions—how to provide
for those families who are shut off from
desperately needed SSI benefits, and
whether these regulations will simply
shift the costs of providing for children
with disabilities from SSI to other
Federal entitlement programs, or to
the States as communities react to
these troubling cases. Such cost shift-
ing would eliminate any significant
savings gained. Additionally, the loss
of SSI benefits will force families to move their children to costly out-of
home placement, as parents would no
longer have the financial support to
stay at home and care for the disabled
child.

This is a matter that I will be pursu-
ing with the Administration with the
intent of reconciling the Administra-
tion's interpretation with the regula-
tions passed by Congress during the
welfare debate last fall.
the first step of three legs. The three legs are to get the deficit down by reducing the tax bill and spending the way it was done. We did it on anything. This reconciliation bill is consistent with that. We managed to resolve all of our problems without too much dispute, without any confrontation. There wasn’t a moment that we walked out on anything. This reconciliation bill is consistent with that. We did, as it was appropriate knowledge or review of the items that we were processing. I thought it was a job very well done. I must say, if we didn’t have some time
MEASURE INDEFINITELY POSTPONED—S. 947

Mr. GRASSLEY. I further ask consent that S. 947 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.
June 26, 1997

Ordered to be printed as passed

In the Senate of the United States,


Resolved, That the bill from the House of Representatives (H.R. 2015) entitled "An Act to provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998.", do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the "Balanced Budget Act of 1997".

4 SEC. 2. TABLE OF TITLES.

5 The table of titles for this Act is as follows:

Title I. Committee on Agriculture, Nutrition, and Forestry.
Title II. Committee on Banking, Housing, and Urban Affairs.
Title III. Committee on Commerce, Science, and Transportation.
Title IV. Committee on Energy and Natural Resources.
Title V. Committee on Finance.
Title VI. Committee on Governmental Affairs.
Title VII. Committee on Labor and Human Resources.
Title VIII. Committee on Veterans' Affairs.
TITLE V—COMMITTEE ON FINANCE

SEC. 5000. AMENDMENTS TO SOCIAL SECURITY ACT AND REFERENCES TO OBRA; TABLE OF CONTENTS OF TITLE.

(a) Amendments to Social Security Act.—Except as otherwise specifically provided, whenever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(c) TABLE OF CONTENTS.—The table of contents of this title is as follows:

TITLE V—COMMITTEE ON FINANCE

Sec. 5000. Amendments to Social Security Act and references to OBRA; table of contents of title.
Sec. 5000A. Extension of moratorium.

DIVISION 1—MEDICARE

Subtitle A—Medicare Choice Program

CHAPTER 1—MEDICARE CHOICE PROGRAM

SUBCHAPTER A—MEDICARE CHOICE PROGRAM

Sec. 5001. Establishment of Medicare Choice program.

“PART C—MEDICARE CHOICE PROGRAM

“Sec. 1851. Eligibility, election, and enrollment.
“Sec. 1852. Benefits and beneficiary protections.
“Sec. 1853. Payments to Medicare Choice organizations.
“Sec. 1854. Premiums.
“Sec. 1855. Organizational and financial requirements for Medicare Choice organizations; provider-sponsored organizations.
“Sec. 1856. Establishment of standards.
“Sec. 1857. Contracts with Medicare Choice organizations.
“Sec. 1859. Definitions; miscellaneous provisions.

Sec. 5002. Transitional rules for current medicare HMO program.
Sec. 5003. Conforming changes in Medigap program.

SUBCHAPTER B—SPECIAL RULES FOR MEDICARE CHOICE MEDICAL SAVINGS ACCOUNTS

Sec. 5006. Medicare Choice MSA.

CHAPTER 2—INTEGRATED LONG-TERM CARE PROGRAMS

SUBCHAPTER A—PROGRAMS OF ALL-INCLUSIVE CARE FOR THE ELDERLY (PACE)

Sec. 5011. Coverage of PACE under the medicare program.
Sec. 5012. Effective date; transition.
Sec. 5013. Study and reports.

SUBCHAPTER B—SOCIAL HEALTH MAINTENANCE ORGANIZATIONS

Sec. 5015. Social health maintenance organizations (SHMOs).

SUBCHAPTER C—OTHER PROGRAMS

Sec. 5018. Extension of certain medicare community nursing organization demonstration projects.

CHAPTER 3—COMMISSIONS

Sec. 5022. Medicare Payment Advisory Commission.
CHAPTER 4—MEDIGAP PROTECTIONS

Sec. 5031. Medigap protections.
Sec. 5032. Addition of high deductible Medigap policy.

CHAPTER 5—DEMONSTRATIONS

SUBCHAPTER A—MEDICARE CHOICE COMPETITIVE PRICING DEMONSTRATION PROJECT

PART I—IN GENERAL

Sec. 5041. Medicare Choice competitive pricing demonstration project.
Sec. 5042. Determination of annual Medicare Choice capitation rates.
Sec. 5043. Benefits and beneficiary premiums.

PART II—INFORMATION AND QUALITY STANDARDS

SUBPART A—INFORMATION

Sec. 5044. Information requirements.

SUBPART B—QUALITY IN DEMONSTRATION PLANS

Sec. 5044A. Definitions.
Sec. 5044B. Quality Advisory Institute.
Sec. 5044C. Duties of Director.
Sec. 5044D. Compliance.
Sec. 5044E. Payments for value.
Sec. 5044F. Certification requirement.
Sec. 5044G. Licensing of certification entities.
Sec. 5044H. Certification criteria.
Sec. 5044I. Grievance and appeals.

SUBCHAPTER B—OTHER PROJECTS

Sec. 5045. Medicare enrollment demonstration project.
Sec. 5046. Medicare coordinated care demonstration project.
Sec. 5047. Establishment of medicare reimbursement demonstration projects.

CHAPTER 6—TAX TREATMENT OF HOSPITALS PARTICIPATING IN PROVIDER-SPONSORED ORGANIZATIONS

Sec. 5049. Tax treatment of hospitals which participate in provider-sponsored organizations.

Subtitle B—Prevention Initiatives

Sec. 5101. Annual screening mammography for women over age 39.
Sec. 5102. Coverage of colorectal screening.
Sec. 5103. Diabetes screening tests.
Sec. 5104. Coverage of bone mass measurements.
Sec. 5105. Study on medical nutrition therapy services.

Subtitle C—Rural Initiatives

Sec. 5151. Sole community hospitals.
Sec. 5152. Medicare-dependent, small rural hospital payment extension.
Sec. 5153. Medicare rural hospital flexibility program.
Sec. 5154. Prohibiting denial of request by rural referral centers for reclassification on basis of comparability of wages.

Sec. 5155. Rural health clinic services.

Sec. 5156. Medicare reimbursement for telehealth services.

Sec. 5157. Telemedicine, informatics, and education demonstration project.

Subtitle D—Anti-Fraud and Abuse Provisions and Improvements in Protecting Program Integrity

CHAPTER 1—REVISIONS TO SANCTIONS FOR FRAUD AND ABUSE

Sec. 5201. Authority to refuse to enter into medicare agreements with individuals or entities convicted of felonies.

Sec. 5202. Exclusion of entity controlled by family member of a sanctioned individual.

Sec. 5203. Imposition of civil money penalties.

CHAPTER 2—IMPROVEMENTS IN PROTECTING PROGRAM INTEGRITY

Sec. 5211. Disclosure of information, surety bonds, and accreditation.

Sec. 5212. Provision of certain identification numbers.

Sec. 5213. Application of certain provisions of the bankruptcy code.

Sec. 5214. Replacement of reasonable charge methodology by fee schedules.

Sec. 5215. Application of inherent reasonableness to all part B services other than physicians' services.

Sec. 5216. Requirement to furnish diagnostic information.

Sec. 5217. Report by GAO on operation of fraud and abuse control program.

Sec. 5218. Competitive bidding.

Sec. 5219. Improving information to medicare beneficiaries.

Sec. 5220. Prohibiting unnecessary and wasteful medicare payments for certain items.

Sec. 5221. Reducing excessive billings and utilization for certain items.

Sec. 5222. Improving information to medicare beneficiaries.

Sec. 5223. Prohibiting unnecessary and wasteful medicare payments for certain items.

Sec. 5224. Reducing excessive billings and utilization for certain items.

Sec. 5225. Improved carrier authority to reduce excessive medicare payments.

Sec. 5226. Itemization of surgical dressing bills submitted by home health agencies.

CHAPTER 3—CLARIFICATIONS AND TECHNICAL CHANGES

Sec. 5231. Other fraud and abuse related provisions.

Subtitle E—Prospective Payment Systems

CHAPTER 1—PROVISIONS RELATING TO PART A

Sec. 5301. Prospective payment for inpatient rehabilitation hospital services.

Sec. 5302. Study and report on payments for long-term care hospitals.

CHAPTER 2—PROVISIONS RELATING TO PART B

SUBCHAPTER A—PAYMENT FOR HOSPITAL OUTPATIENT DEPARTMENT SERVICES

Sec. 5311. Elimination of formula-driven overpayments (FDO) for certain outpatient hospital services.
Sec. 5312. Extension of reductions in payments for costs of hospital outpatient services.
Sec. 5313. Prospective payment system for hospital outpatient department services.

SUBCHAPTER B—AMBULANCE SERVICES

Sec. 5321. Payments for ambulance services.

CHAPTER 3—PROVISIONS RELATING TO PARTS A AND B

SUBCHAPTER A—PAYMENTS TO SKILLED NURSING FACILITIES

Sec. 5331. Extension of cost limits.
Sec. 5332. Prospective payment for skilled nursing facility services.

SUBCHAPTER B—HOME HEALTH SERVICES AND BENEFITS

PART I—PAYMENTS FOR HOME HEALTH SERVICES

Sec. 5341. Recapturing savings resulting from temporary freeze on payment increases for home health services.
Sec. 5342. Interim payments for home health services.
Sec. 5343. Prospective payment for home health services.
Sec. 5344. Payment based on location where home health service is furnished.

PART II—HOME HEALTH BENEFITS

Sec. 5361. Modification of part A home health benefit for individuals enrolled under part B.
Sec. 5362. Imposition of $5 copayment for part B home health services.
Sec. 5363. Clarification of part-time or intermittent nursing care.
Sec. 5364. Study on definition of homebound.
Sec. 5365. Normative standards for home health claims denials.
Sec. 5366. Inclusion of cost of service in explanation of medicare benefits.

Subtitle F—Provisions Relating to Part A

CHAPTER 1—PAYMENT OF PPS HOSPITALS

Sec. 5401. PPS hospital payment update.
Sec. 5402. Capital payments for PPS hospitals.

CHAPTER 2—PAYMENT OF PPS EXEMPT HOSPITALS

Sec. 5421. Payment update.
Sec. 5422. Reductions to capital payments for certain PPS-exempt hospitals and units.
Sec. 5423. Cap on TEFRA limits.
Sec. 5424. Change in bonus and relief payments.
Sec. 5425. Target amounts for rehabilitation hospitals, long-term care hospitals, and psychiatric hospitals.
Sec. 5426. Treatment of certain long-term care hospitals located within other hospitals.
Sec. 5426A. Rebasing.
Sec. 5427. Elimination of exemptions; report on exceptions and adjustments.
Sec. 5428. Technical correction relating to subsection (d) hospitals.
Sec. 5429. Certain cancer hospitals.
CHAPTER 3—GRADUATE MEDICAL EDUCATION PAYMENTS

SUBCHAPTER A—DIRECT MEDICAL EDUCATION

Sec. 5441. Limitation on number of residents and rolling average FTE count.
Sec. 5442. Permitting payment to nonhospital providers.
Sec. 5443. Medicare special reimbursement rule for primary care combined residency programs.

SUBCHAPTER B—INDIRECT MEDICAL EDUCATION

Sec. 5446. Indirect graduate medical education payments.

SUBCHAPTER C—GRADUATE MEDICAL EDUCATION PAYMENTS FOR MANAGED CARE ENROLLEES

Sec. 5451. Direct and indirect medical education payments to hospitals for managed care enrollees.
Sec. 5452. Demonstration project on use of consortia.

CHAPTER 4—OTHER HOSPITAL PAYMENTS

Sec. 5461. Disproportionate share payments to hospitals for managed care and Medicare Choice enrollees.
Sec. 5462. Reform of disproportionate share payments to hospitals serving vulnerable populations.
Sec. 5463. Medicare capital asset sales price equal to book value.
Sec. 5464. Elimination of IME and DSH payments attributable to outlier payments.
Sec. 5465. Treatment of transfer cases.
Sec. 5466. Reductions in payments for enrollee bad debt.
Sec. 5467. Floor on area wage index.
Sec. 5468. Increase base payment rate to Puerto Rico hospitals.
Sec. 5469. Permanent extension of hemophilia pass-through.
Sec. 5470. Coverage of services in religious nonmedical health care institutions under the medicare and medicaid programs.

CHAPTER 5—PAYMENTS FOR HOSPICE SERVICES

Sec. 5481. Payment for home hospice care based on location where care is furnished.
Sec. 5482. Hospice care benefits periods.
Sec. 5483. Other items and services included in hospice care.
Sec. 5484. Contracting with independent physicians or physician groups for hospice care services permitted.
Sec. 5485. Waiver of certain staffing requirements for hospice care programs in non-urbanized areas.
Sec. 5486. Limitation on liability of beneficiaries for certain hospice coverage denials.
Sec. 5487. Extending the period for physician certification of an individual's terminal illness.
Sec. 5488. Effective date.

Subtitle G—Provisions Relating to Part B Only

CHAPTER 1—PAYMENTS FOR PHYSICIANS AND OTHER HEALTH CARE PROVIDERS

Sec. 5502. Establishing update to conversion factor to match spending under sustainable growth rate.

Sec. 5503. Replacement of volume performance standard with sustainable growth rate.

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SEC. 5212. PROVISION OF CERTAIN IDENTIFICATION NUMBERS.

(a) REQUIREMENTS TO DISCLOSE EMPLOYER IDENTIFICATION NUMBERS (EINS) AND SOCIAL SECURITY ACCOUNT NUMBERS (SSNs).—Section 1124(a)(1) (42 U.S.C. 1320a–3(a)(1)) is amended by inserting before the period at the end the following: “and supply the Secretary with the both the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing entity, each person with an ownership or control interest (as defined in subsection (a)(3)), and any subcontractor in which the entity directly or indirectly has a 5 percent or more ownership interest”.

(b) OTHER MEDICARE PROVIDERS.—Section 1124A (42 U.S.C. 1320a–3a) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “and” at the end;

(B) in paragraph (2), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:
“(3) including the employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986) and social security account number (assigned under section 205(c)(2)(B)) of the disclosing part B provider and any person, managing employee, or other entity identified or described under paragraph (1) or (2).”;

(2) in subsection (c)(1), by inserting “(or, for purposes of subsection (a)(3), any entity receiving payment)” after “on an assignment-related basis”;

(c) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION (SSA).—Section 1124A (42 U.S.C. 1320a–3a), as amended by subsection (b), is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

“(c) VERIFICATION.—

“(1) TRANSMITTAL BY HHS.—The Secretary shall transmit—

“(A) to the Commissioner of Social Security information concerning each social security account number (assigned under section 205(c)(2)(B)), and
“(B) to the Secretary of the Treasury information concerning each employer identification number (assigned pursuant to section 6109 of the Internal Revenue Code of 1986), supplied to the Secretary pursuant to subsection (a)(3) or section 1124(c) to the extent necessary for verification of such information in accordance with paragraph (2).

“(2) VERIFICATION.—The Commissioner of Social Security and the Secretary of the Treasury shall verify the accuracy of, or correct, the information supplied by the Secretary to such official pursuant to paragraph (1), and shall report such verifications or corrections to the Secretary.

“(3) FEES FOR VERIFICATION.—The Secretary shall reimburse the Commissioner and Secretary of the Treasury, at a rate negotiated between the Secretary and such official, for the costs incurred by such official in performing the verification and correction services described in this subsection.”.

(d) REPORT.—The Secretary of Health and Human Services shall submit to Congress a report on steps the Secretary has taken to assure the confidentiality of social security account numbers that will be provided to the Secretary under the amendments made by this section.
(e) Effective Dates.—

(1) Disclosure Requirements.—The amendment made by subsection (a) shall apply to the application of conditions of participation, and entering into and renewal of contracts and agreements, occurring more than 90 days after the date of submission of the report under subsection (d).

(2) Other Providers.—The amendments made by subsection (b) shall apply to payment for items and services furnished more than 90 days after the date of submission of such report.
SEC. 5811. SSI ELIGIBILITY FOR ALIENS RECEIVING SSI ON AUGUST 22, 1996.

(a) In General.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding after subparagraph (D) the following new subparagraph:

"(E) Aliens receiving SSI on August 22, 1996.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to an alien who is lawfully residing in any State and who was receiving such benefits on August 22, 1996."

(b) Status of Cuban and Haitian Entrants.—For purposes of section 402(a)(2)(E) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(E)), an alien who is a Cuban and Haitian entrant, as defined in section 501(e) of the Refugee
Education Assistance Act of 1980, shall be considered a qualified alien.

(c) CONFORMING AMENDMENTS.—Section 402(a)(2)(D) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(D)) is amended—

(1) by striking clause (i);
(2) in the subparagraph heading by striking "BENEFITS" and inserting "FOOD STAMPS";
(3) by striking "(ii) FOOD STAMPS"; and
(4) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii).

SEC. 5812. EXTENSION OF ELIGIBILITY PERIOD FOR REFUGEES AND CERTAIN OTHER QUALIFIED ALIENS FROM 5 TO 7 YEARS FOR SSI AND MEDICAID.

(a) SSI.—Section 402(a)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A)) is amended to read as follows:

"(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

"(i) SSI.—With respect to the specified Federal program described in paragraph
(3)(A) paragraph 1 shall not apply to an alien until 7 years after the date—

“(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

“(II) an alien is granted asylum under section 208 of such Act; or

“(III) an alien’s deportation is withheld under section 243(h) of such Act.

“(ii) FOOD STAMPS.—With respect to the specified Federal program described in paragraph (3)(B), paragraph 1 shall not apply to an alien until 5 years after the date—

“(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

“(II) an alien is granted asylum under section 208 of such Act; or

“(III) an alien’s deportation is withheld under section 243(h) of such Act.”.

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(b) MEDICAID.—Section 402(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)(A)) is amended to read as follows:

"(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

"(i) MEDICAID.—With respect to the designated Federal program described in paragraph (3)(C), paragraph 1 shall not apply to an alien until 7 years after the date—

"(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

"(II) an alien is granted asylum under section 208 of such Act; or

"(III) an alien's deportation is withheld under section 243(h) of such Act.

"(ii) OTHER DESIGNATED FEDERAL PROGRAMS.—With respect to the designated Federal programs under paragraph (3) (other than subparagraph (C)), paragraph
shall not apply to an alien until 5 years after the date—

"(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

“(II) an alien is granted asylum under section 208 of such Act; or

“(III) an alien’s deportation is withheld under section 243(h) of such Act.”.

(c) Status of Cuban and Haitian Entrants.—For purposes of sections 402(a)(2)(A) and 402(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A), (b)(2)(A)), an alien who is a Cuban and Haitian entrant, as defined in section 501(e) of the Refugee Education Assistance Act of 1980, shall be considered a refugee.

Sec. 5813. Exceptions for Certain Indians from Limitation on Eligibility for Supplemental Security Income and Medicaid Benefits.

(a) Exception from Limitation on SSI Eligibility.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended—

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(1) by redesignating subparagraph (D) and subparagraph (E); and

(2) by inserting after subparagraph (C) the following:

“(D) SSI EXCEPTION FOR CERTAIN INDIANS.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to any individual—

“(i) who is an American Indian born in Canada to whom the provisions of section 289 of the Immigration and Nationality Act (8 U.S.C. 1358) apply; or

“(ii) who is a member of an Indian tribe (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e))).”.

(b) EXCEPTION FROM LIMITATION ON MEDICAID ELIGIBILITY.—Section 402(b)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)) is amended—

(1) by redesignating subparagraph (D) and subparagraph (E); and
(2) by inserting after subparagraph (C) the following:

“(D) MEDICAID EXCEPTION FOR CERTAIN INDIANS.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the medicaid program), paragraph (1) shall not apply to any individual described in subsection (a)(2)(D).”.

(c) SSI AND MEDICAID EXCEPTIONS FROM LIMITATION ON ELIGIBILITY OF NEW ENTRANTS.—Section 403(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(b)) is amended by adding at the end the following:

“(3) SSI AND MEDICAID EXCEPTION FOR CERTAIN INDIANS.—An individual described in section 402(a)(2)(D), but only with respect to the programs specified in subsections (a)(3)(A) and (b)(3)(C) of section 402.”.

(d) EFFECTIVE DATE.—

(1) SECTION 402.—The amendments made by subsections (a) and (b) shall take effect as though they had been included in the enactment of section 402 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
(2) SECTION 403.—The amendment made by subsection (c) shall take effect as though they had been included in the enactment of section 403 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

SEC. 5814. SSI ELIGIBILITY FOR DISABLED LEGAL ALIENS IN THE UNITED STATES ON AUGUST 22, 1996.

Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) (as amended by section 5813) is amended by adding at the end the following:

"(G) DISABLED ALIENS LAWFULLY RESIDING IN THE UNITED STATES ON AUGUST 22, 1996.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to an alien who—

"(i) is lawfully residing in any State on August 22, 1996; and

"(ii) is disabled, as defined in section 1614(a)(3) of the Social Security Act (42 U.S.C. 1382c(a)(3))."."
Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) (as amended by section 5814) is amended by adding at the end the following:

"(H) Ssi Exception for Certain Recipients on the Basis of Very Old Applications.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to any individual—

"(i) who is receiving benefits under such program for months after July 1996 on the basis of an application filed before January 1, 1979; and

"(ii) with respect to whom the Commissioner of Social Security lacks clear and convincing evidence that such individual is an alien ineligible for such benefits as a result of the application of this section."
SEC. 5816. REINSTATMENT OF ELIGIBILITY FOR BENEFITS.

(a) FOOD STAMPS.—The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding after section 435 the following new section:

"SEC. 436. DERIVATIVE ELIGIBILITY FOR BENEFITS.

Notwithstanding any other provision of law, an alien who under the provisions of this title is ineligible for benefits under the food stamp program (as defined in section 402(a)(3)(A)) shall not be eligible for such benefits because the alien receives benefits under the supplemental security income program (as defined in section 402(a)(3)(B))."

(b) MEDICAID.—Section 402(b)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)) is amended by adding at the end the following:

"(E) MEDICAID EXCEPTION FOR ALIENS RECEIVING SSI.—An alien who is receiving benefits under the program defined in subsection (a)(3)(A) (relating to the supplemental security income program) shall be eligible for medical assistance under a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) under the same terms and conditions that apply to other recipients of benefits under the program defined in such subsection."
(c) CLERICAL AMENDMENT.—Section 2 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding after the item related to section 435 the following:

"Sec. 436. Derivative eligibility for benefits."

SEC. 5817. EXEMPTION FOR CHILDREN WHO ARE LEGAL ALIENS FROM 5-YEAR BAN ON MEDICAID ELIGIBILITY.

Section 403 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613)) is amended by adding at the end the following:

"(e) MEDICAID ELIGIBILITY EXEMPTION FOR CHILDREN.—The limitation under subsection (a) shall not apply to any alien who has not attained age 19 and is lawfully residing in any State, but only with respect to such alien's eligibility for medical assistance under a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).".

SEC. 5818. TREATMENT OF CERTAIN AMERASIAN IMMIGRANTS AS REFUGEES.

(a) AMENDMENTS TO EXCEPTIONS FOR REFUGEES/ASYLEES.—

(1) FOR PURPOSES OF SSI AND FOOD STAMPS.—

(A) by striking "; or" at the end of clause (ii);

(B) by striking the period at the end of clause (iii) and inserting "; or"; and

(C) by adding at the end the following:

"(iv) an alien who is admitted to the United States as an Amerasian immigrant pursuant to section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988 (as contained in section 101(e) of Public Law 100–202 and amended by the 9th proviso under MIGRATION AND REFUGEE ASSISTANCE in title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, Public Law 100–461, as amended)."


(A) by striking "; or" at the end of clause (ii);

(B) by striking the period at the end of clause (iii) and inserting "; or"; and
(C) by adding at the end the following:

“(iv) an alien described in subsection (a)(2)(A)(iv) until 5 years after the date of such alien’s entry into the United States.”.

(3) FOR PURPOSES OF EXCEPTION FROM 5-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS.—Section 403(b)(1) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(b)(1)) is amended by adding at the end the following:

“(D) An alien described in section 402(a)(2)(A)(iv).”.

(4) FOR PURPOSES OF CERTAIN STATE PROGRAMS.—Section 412(b)(1) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1622(b)(1)) is amended by adding at the end the following new subparagraph:

“(D) An alien described in section 402(a)(2)(A)(iv).”.

(b) FUNDING.—

(1) LEVY OF FEE.—The Attorney General through the Immigration and Naturalization Service shall levy a $100 processing fee upon each alien that the Service determines—
(A) is unlawfully residing in the United States;

(B) has been arrested by a Federal law enforcement officer for the commission of a felony; and

(C) merits deportation after having been determined by a court of law to have committed a felony while residing illegally in the United States.

(2) COLLECTION AND USE.—In addition to any other penalty provided by law, a court shall impose the fee described in paragraph (1) upon an alien described in such paragraph upon the entry of a judgment of deportation by such court. Funds collected pursuant to this subsection shall be credited by the Secretary of the Treasury as offsetting increased Federal outlays resulting from the amendments made by section 5817A of the Balanced Budget Act of 1997.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to the period beginning on or after October 1, 1997.

SEC. 5819. SSI ELIGIBILITY FOR SEVERELY DISABLED ALIENS.

Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C.
1612(a)(2)), as amended by section 5815, is amended by adding at the end the following:

"(I) SSI EXCEPTION FOR SEVERELY DISABLED ALIENS.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1), and the September 30, 1997 application deadline under subparagraph (G), shall not apply to any alien who is lawfully present in the United States and who has been denied approval of an application for naturalization by the Attorney General solely on the ground that the alien is so severely disabled that the alien is otherwise unable to satisfy the requirements for naturalization."

SEC. 5820. EFFECTIVE DATE.

The amendments made by this chapter shall take effect as if they were included in the enactment of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2260).
CHAPTER 3—MISCELLANEOUS

SEC. 5871. SENSE OF THE SENATE REGARDING THE CORRECTION OF COST-OF-LIVING ADJUSTMENTS.

(a) FINDINGS.—The Senate makes the following findings:

(1) The final report of the Senate Finance Committee's Advisory Commission to Study the Consumer Price Index, chaired by Professor Michael Boskin, has concluded that the Consumer Price Index overstates the cost of living in the United States by 1.1 percentage points.

(2) Dr. Alan Greenspan, Chairman of the Board of Governors of the Federal Reserve System, has testified before the Senate Finance Committee that "the best available evidence suggests that there is virtually no chance that the CPI as currently published understates" the cost of living and that there is "a very high probability that the upward bias ranges between
1½ percentage point per year and 1½ percentage points per year”.

(3) The overstatement of the cost of living by the Consumer Price Index has been recognized by economists since at least 1961, when a report noting the existence of the overstatement was issued by a National Bureau of Economic Research Committee, chaired by Professor George J. Stigler.

(4) Congress and the President, through the indexing of Federal tax brackets, Social Security benefits, and other Federal program benefits, have undertaken to protect taxpayers and beneficiaries of such programs from the erosion of purchasing power due to inflation.

(5) Congress and the President intended the indexing of Federal tax brackets, Social Security benefits, and other Federal program benefits to accurately reflect changes in the cost of living.

(6) The overstatement of the cost of living increases the deficit and undermines the equitable administration of Federal benefits and tax policies.

(b) Sense of the Senate.—It is the sense of the Senate that all cost-of-living adjustments required by statute should accurately reflect the best available estimate of changes in the cost of living.
Subtitle M—Welfare Reform
Technical Corrections

SEC. 5900. SHORT TITLE OF SUBTITLE.
This subtitle may be cited as the "Welfare Reform Technical Corrections Act of 1997".

CHAPTER 2—SUPPLEMENTAL SECURITY INCOME

SEC. 5921. CONFORMING AND TECHNICAL AMENDMENTS RELATING TO ELIGIBILITY RESTRICTIONS.

(a) Denial of SSI Benefits for Fugitive Felons and Probation and Parole Violators.—Section 1611(e)(6) (42 U.S.C. 1382(e)(6)) is amended by inserting "and section 1106(c) of this Act" after "of 1986".

(b) Treatment of Prisoners.—Section 1611(e)(1)(I)(i)(II) (42 U.S.C. 1382(e)(1)(I)(i)(II)) is amended by striking "inmate of the institution" and all that follows through "this subparagraph" and inserting "individual who receives in the month preceding the first month throughout which such individual is an inmate of the jail, prison, penal institution, or correctional facility that furnishes information respecting such individual pursuant to subclause (I), or is confined in the institution (that so furnishes such information) as described in section 202(x)(1)(A)(ii), a benefit under this title for such preced-
ing month, and who is determined by the Commissioner to be ineligible for benefits under this title by reason of confinement based on the information provided by such institution”.

(c) CORRECTION OF REFERENCE.—Section 1611(e)(1)(I)(i)(I) (42 U.S.C. 1382(e)(1)(I)(i)(I)) is amended by striking “paragraph (1)” and inserting “this paragraph”.

SEC. 5922. CONFORMING AND TECHNICAL AMENDMENTS RELATING TO BENEFITS FOR DISABLED CHILDREN.

(a) ELIGIBILITY REDETERMINATIONS FOR CURRENT RECIPIENTS.—Section 211(d)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 1382c note) is amended by striking “1 year” and inserting “18 months”.

(b) ELIGIBILITY REDETERMINATIONS AND CONTINUING DISABILITY REVIEWS.—

(1) DISABILITY ELIGIBILITY REDETERMINATIONS REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS OF AGE.—Section 1614(a)(3)(H)(iii) (42 U.S.C. 1382c(a)(3)(H)(iii)) is amended by striking subclauses (I) and (II) and all that follows and inserting the following:
“(I) by applying the criteria used in determining initial eligibility for individuals who are age 18 or older; and

“(II) either during the 1-year period beginning on the individual’s 18th birthday or, in lieu of a continuing disability review, whenever the Commissioner determines that an individual’s case is subject to a redetermination under this clause.

With respect to any redetermination under this clause, paragraph (4) shall not apply.”.


(A) in subclause (I), by striking “Not” and inserting “Except as provided in subclause (VI), not”; and

(B) by adding at the end the following:

“(VI) Subclause (I) shall not apply in the case of an individual described in that subclause who, at the time of the individual’s initial disability determination, the Commissioner determines has an impairment that is not expected to improve within 12 months after the birth of that individual, and who the Commissioner schedules for a con-
tinuing disability review at a date that is after the individual attains 1 year of age.”.

(c) ADDITIONAL ACCOUNTABILITY REQUIREMENTS.—
Section 1631(a)(2)(F) (42 U.S.C. 1383(a)(2)(F)) is amended—

(1) in clause (ii)(III)(bb), by striking “the total amount” and all that follows through “1613(c)” and inserting “in any case in which the individual knowingly misapplies benefits from such an account, the Commissioner shall reduce future benefits payable to such individual (or to such individual and his spouse) by an amount equal to the total amount of such benefits so misapplied”; and

(2) by striking clause (iii) and inserting the following:

“(iii) The representative payee may deposit into the account established under clause (i) any other funds representing past due benefits under this title to the eligible individual, provided that the amount of such past due benefits is equal to or exceeds the maximum monthly benefit payable under this title to an eligible individual (including State supplementary payments made by the Commissioner pursuant to an agreement under section 1616 or section 212(b) of Public Law 93–66).”.
(d) REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED INDIVIDUALS WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE INSURANCE.—Section 1611(e) (42 U.S.C. 1382(e)) is amended—

(1) in paragraph (1)(B)—

(A) in the matter preceding clause (i), by striking “hospital, extended care facility, nursing home, or intermediate care facility” and inserting “medical treatment facility”;

(B) in clause (ii)—

(i) in the matter preceding subclause (I), by striking “hospital, home or”; and

(ii) in subclause (I), by striking “hospital, home, or”;

(C) in clause (iii), by striking “hospital, home, or”; and

(D) in the matter following clause (iii), by striking “hospital, extended care facility, nursing home, or intermediate care facility which is a ‘medical institution or nursing facility’ within the meaning of section 1917(c)” and inserting “medical treatment facility that provides services described in section 1917(c)(1)(C)”;

(2) in paragraph (1)(E)—
(A) in clause (i)(II), by striking "hospital, extended care facility, nursing home, or intermediate care facility" and inserting "medical treatment facility"; and

(B) in clause (iii), by striking "hospital, extended care facility, nursing home, or intermediate care facility" and inserting "medical treatment facility";

(3) in paragraph (1)(G), in the matter preceding clause (i)—

(A) by striking "or which is a hospital, extended care facility, nursing home, or intermediate care" and inserting "or is in a medical treatment"; and

(B) by inserting "or, in the case of an individual who is a child under the age of 18, under any health insurance policy issued by a private provider of such insurance" after "title XIX"; and

(4) in paragraph (3)—

(A) by striking "same hospital, home, or facility" and inserting "same medical treatment facility"; and

(B) by striking "same such hospital, home, or facility" and inserting "same such facility".
(e) **CORRECTION OF U.S.C. CITATION.**—Section 211(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2189) is amended by striking “1382(a)(4)” and inserting “1382c(a)(4)”.

**SEC. 5923. ADDITIONAL TECHNICAL AMENDMENTS TO TITLE XVI.**

Section 1615(d) (42 U.S.C. 1382d(d)) is amended—

(1) in the first sentence, by inserting a comma after “subsection (a)(1)”;

(2) in the last sentence, by striking “him” and inserting “the Commissioner”.

**SEC. 5924. ADDITIONAL TECHNICAL AMENDMENTS RELATING TO TITLE XVI.**

Section 1110(a)(3) (42 U.S.C. 1310(a)(3)) is amended—

(1) by inserting “(or the Commissioner, with respect to any jointly financed cooperative agreement or grant concerning title XVI)” after “Secretary” the first place it appears; and

(2) by inserting “(or the Commissioner, as applicable)” after “Secretary” the second place it appears.
SEC. 5925. EFFECTIVE DATES.

(a) In General.—Except as provided in subsection (b), the amendments made by this part shall take effect as if included in the enactment of title II of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2185).

(b) Exception.—The amendments made by section 5925 shall take effect as if included in the enactment of the Social Security Independence and Program Improvements Act of 1994 (Public Law 103–296; 108 Stat. 1464).

CHAPTER 3—CHILD SUPPORT

SEC. 5940. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

Section 466(a)(13) (42 U.S.C. 666(a)(13)) is amended—

(1) in subparagraph (A)—

(A) by striking “commercial”; and

(B) by inserting “recreational license,” after “occupational license,”; and

(2) in the matter following subparagraph (C), by inserting “to be used on the face of the document while the social security number is kept on file at the agency” after “other than the social security number”.

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CHAPTER 4—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

Subchapter A—Eligibility for Federal Benefits

SEC. 5965. ALIEN ELIGIBILITY FOR FEDERAL BENEFITS:

LIMITED APPLICATION TO MEDICARE AND BENEFITS UNDER THE RAILROAD RETIREMENT ACT.

(a) LIMITED APPLICATION TO MEDICARE.—Section 401(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(b)) is amended by adding at the end the following:

“(3) Subsection (a) shall not apply to any benefit payable under title XVIII of the Social Security Act (relating to the medicare program) to an alien who is lawfully present in the United States as determined by the Attorney General and, with respect to benefits payable under part A of such title, who was authorized to be employed with respect to any wages attributable to employment which are counted for purposes of eligibility for such benefits.”.

(b) LIMITED APPLICATION TO BENEFITS UNDER THE RAILROAD RETIREMENT ACT.—Section 401(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(b)) (as amended by subsection (a)) is amended by inserting at the end the following:
“(4) Subsection (a) shall not apply to any benefit payable under the Railroad Retirement Act of 1974 or the Railroad Unemployment Insurance Act to an alien who is lawfully present in the United States as determined by the Attorney General or to an alien residing outside the United States.”.

SEC. 5966. EXCEPTIONS TO BENEFIT LIMITATIONS: CORRECTIONS TO REFERENCE CONCERNING ALIENS WHOSE DEPORTATION IS WITHHELD.

Sections 402(a)(2)(A)(i)(III), 402(a)(2)(A)(ii)(III), 402(b)(2)(A)(iii), 403(b)(1)(C), 412(b)(1)(C), and 431(b)(5) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A)(iii), 1612(b)(2)(A)(iii), 1613(b)(1)(C), 1622(b)(1)(C), and 1641(b)(5)) are each amended by striking “section 243(h) of such Act” each place it appears and inserting “section 243(h) of such Act (as in effect immediately before the effective date of section 307 of division C of Public Law 104–208) or section 241(b)(3) of such Act (as amended by section 305(a) of division C of Public Law 104–208)”.

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SEC. 5967. VETERANS EXCEPTION: APPLICATION OF MINIMUM ACTIVE DUTY SERVICE REQUIREMENT; EXTENSION TO UNREMARRIED SURVIVING SPOUSE; EXPANDED DEFINITION OF VETERAN.

(a) Application of Minimum Active Duty Service Requirement.—Sections 402(a)(2)(C)(i), 402(b)(2)(C)(i), 403(b)(2)(A), and 412(b)(3)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(C)(i), 1612(b)(2)(C)(i), 1613(b)(2)(A), and 1622(b)(3)(A)) are each amended by inserting "and who fulfills the minimum active-duty service requirements of section 5303A(d) of title 38, United States Code" after "alienage".

(b) Exception Applicable to Unremarried Surviving Spouse.—Section 402(a)(2)(C)(iii), 402(b)(2)(C)(iii), 403(b)(2)(C), and 412(b)(3)(C) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(C)(iii), 1612(b)(2)(C)(iii), 1613(b)(2)(C), and 1622(b)(3)(C)) are each amended by inserting before the period "or the unremarried surviving spouse of an individual described in clause (i) or (ii) who is deceased if the marriage fulfills the requirements of section 1304 of title 38, United States Code".
(c) Expanded Definition of Veteran.—Sections 402(a)(2)(C)(i), 402(b)(2)(C)(i), 403(b)(2)(A), and 412(b)(3)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a) (2) (C) (i), 1612(b) (2) (C) (i), 1613(b)(2)(A), and 1622(b)(3)(A)) are each amended by inserting "section 101, or as described in section 107" after "section 101".

SEC. 5968. CORRECTION OF REFERENCE CONCERNING CUBAN AND HAITIAN ENTRANTS.

Section 403(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(d)) is amended—

(1) by striking "section 501 of the Refugee" and insert "section 501(a) of the Refugee"; and

(2) by striking "section 501(e) (2)" and inserting "section 501(e)".

SEC. 5969. NOTIFICATION CONCERNING ALIENS NOT LAWFULLY PRESENT: CORRECTION OF TERMINOLOGY.

Section 1631(e)(9) of the Social Security Act (42 U.S.C. 1383(e)(9)) and section 27 of the United States Housing Act of 1937, as added by section 404 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, are each amended by striking "unlawfully in
the United States” each place it appears and inserting “not lawfully present in the United States”.

SEC. 5970. FREELY ASSOCIATED STATES: CONTRACTS AND LICENSES.

Sections 401(c)(2)(A) and 411(c)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(c)(2)(A) and 1621(c)(2)(A)) are each amended by inserting before the semicolon at the end “, or to a citizen of a freely associated state, if section 141 of the applicable compact of free association approved in Public Law 99–239 or 99–658 (or a successor provision) is in effect”.

SEC. 5971. CONGRESSIONAL STATEMENT REGARDING BENEFITS FOR HMONG AND OTHER HIGHLAND LAO VETERANS.

(a) FINDINGS.—The Congress makes the following findings:

(1) Hmong and other Highland Lao tribal peoples were recruited, armed, trained, and funded for military operations by the United States Department of Defense, Central Intelligence Agency, Department of State, and Agency for International Development to further United States national security interests during the Vietnam conflict.
(2) Hmong and other Highland Lao tribal forces sacrificed their own lives and saved the lives of American military personnel by rescuing downed American pilots and aircrews and by engaging and successfully fighting North Vietnamese troops.

(3) Thousands of Hmong and other Highland Lao veterans who fought in special guerilla units on behalf of the United States during the Vietnam conflict, along with their families, have been lawfully admitted to the United States in recent years.

(4) The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193), the new national welfare reform law, restricts certain welfare benefits for noncitizens of the United States and the exceptions for noncitizen veterans of the Armed Forces of the United States do not extend to Hmong veterans of the Vietnam conflict era, making Hmong veterans and their families receiving certain welfare benefits subject to restrictions despite their military service on behalf of the United States.

(b) CONGRESSIONAL STATEMENT.—It is the sense of the Congress that Hmong and other Highland Lao veterans who fought on behalf of the Armed Forces of the United States during the Vietnam conflict and have lawfully been admitted to the United States for permanent residence
should be considered veterans for purposes of continuing
certain welfare benefits consistent with the exceptions pro-
vided other noncitizen veterans under the Personal Respon-

Subchapter B—General Provisions

SEC. 5972. DETERMINATION OF TREATMENT OF BATTERED
ALIENS AS QUALIFIED ALIENS; INCLUSION OF
ALIEN CHILD OF BATTERED PARENT AS
QUALIFIED ALIEN.

(a) DETERMINATION OF STATUS BY AGENCY PROVID-
ing BENEFITS.—Section 431 of the Personal Responsibility
and Work Opportunity Reconciliation Act of 1996 (8
U.S.C. 1641) is amended in subsections (c)(1)(A) and
(c)(2)(A) by striking “Attorney General, which opinion is
not subject to review by any court)” each place it appears
and inserting “agency providing such benefits)”.

(b) GUIDANCE ISSUED BY ATTORNEY GENERAL.—Sec-
tion 431(c) of the Personal Responsibility and Work Oppor-
tunity Reconciliation Act of 1996 (8 U.S.C. 1641(c)) is
amended by adding at the end the following new undesign-
nated paragraph:

“After consultation with the Secretaries of Health and
Human Services, Agriculture, and Housing and Urban De-
velopment, the Commissioner of Social Security, and with
the heads of such Federal agencies administering benefits
as the Attorney General considers appropriate, the Attorney General shall issue guidance (in the Attorney General’s sole and unreviewable discretion) for purposes of this subsection and section 421(f), concerning the meaning of the terms ‘battery’ and ‘extreme cruelty’, and the standards and methods to be used for determining whether a substantial connection exists between battery or cruelty suffered and an individual’s need for benefits under a specific Federal, State, or local program.”.

(c) Inclusion of Alien Child of Battered Parent as Qualified Alien.—Section 431(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1641(c)) is amended—

(1) at the end of paragraph (1)(B)(iv) by striking “or”;

(2) at the end of paragraph (2)(B) by striking the period and inserting “; or”; and

(3) by inserting after paragraph (2)(B) and before the last sentence of such subsection the following new paragraph:

“(3) an alien child who—

“(A) resides in the same household as a parent who has been battered or subjected to extreme cruelty in the United States by that parent’s spouse or by a member of the spouse’s family re-
siding in the same household as the parent and the spouse consented or acquiesced to such battery or cruelty, but only if (in the opinion of the agency providing such benefits) there is a substantial connection between such battery or cruelty and the need for the benefits to be provided; and

"(B) who meets the requirement of subparagraph (B) of paragraph (1)."

(d) INCLUSION OF ALIEN CHILD OF BATTERED PARENT UNDER SPECIAL RULE FOR ATTRIBUTION OF INCOME.—Section 421(f)(1)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(f)(1)(A)) is amended—

(1) at the end of clause (i) by striking "or"; and

(2) by striking "and the battery or cruelty described in clause (i) or (ii)" and inserting "or (iii) the alien is a child whose parent (who resides in the same household as the alien child) has been battered or subjected to extreme cruelty in the United States by that parent's spouse, or by a member of the spouse's family residing in the same household as the parent and the spouse consented to, or acquiesced in, such battery or cruelty, and the battery or cruelty described in clause (i), (ii), or (iii)". 
SEC. 5973. VERIFICATION OF ELIGIBILITY FOR BENEFITS.

(a) REGULATIONS AND GUIDANCE.—Section 432(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1642(a)) is amended—

(1) by inserting at the end of paragraph (1) the following: “Not later than 90 days after the date of the enactment of the Welfare Reform Technical Corrections Act of 1997, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall issue interim verification guidance.”; and

(2) by adding after paragraph (2) the following new paragraph:

“(3) Not later than 90 days after the date of the enactment of the Welfare Reform Technical Corrections Act of 1997, the Attorney General shall promulgate regulations which set forth the procedures by which a State or local government can verify whether an alien applying for a State or local public benefit is a qualified alien, a non-immigrant under the Immigration and Nationality Act, or an alien paroled into the United States under section 212(d)(5) of the Immigration and Nationality Act for less than 1 year, for purposes of determining whether the alien is ineligible for benefits under section 411 of this Act.”.

(b) DISCLOSURE OF INFORMATION FOR VERIFICATION.—Section 384(b) of the Illegal Immigration Reform
and Immigrant Responsibility Act of 1996 (division C of Public Law 104–208) is amended by adding after paragraph (4) the following new paragraph:

"(5) The Attorney General is authorized to disclose information, to Federal, State, and local public and private agencies providing benefits, to be used solely in making determinations of eligibility for benefits pursuant to section 431(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996."

SEC. 5974. QUALIFYING QUARTERS: DISCLOSURE OF QUARTERS OF COVERAGE INFORMATION; CORRECTION TO assured THAT CREDITING APPLIES TO ALL QUARTERS EARNED BY PARENTS BEFORE CHILD IS 18.

(a) DISCLOSURE OF QUARTERS OF COVERAGE INFORMATION.—Section 435 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1645) is amended by adding at the end the following: "Notwithstanding section 6103 of the Internal Revenue Code of 1986, the Commissioner of Social Security is authorized to disclose quarters of coverage information concerning an alien and an alien's spouse or parents to a government agency for the purposes of this title."
(b) Correction to Assure That Crediting Applies to All Quarters Earned by Parents Before Child Is 18.—Section 435(1) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1645(1)) is amended by striking "while the alien was under age 18," and inserting "before the date on which the alien attains age 18,.”

SEC. 5975. STATUTORY CONSTRUCTION: BENEFIT ELIGIBILITY LIMITATIONS APPLICABLE ONLY WITH RESPECT TO ALIENS PRESENT IN THE UNITED STATES.

Section 433 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1643) is amended—

(1) by redesignated subsections (b) and (c) as subsections (c) and (d); and

(2) by adding after subsection (a) the following new subsection:

“(b) BENEFIT ELIGIBILITY LIMITATIONS APPLICABLE ONLY WITH RESPECT TO ALIENS PRESENT IN THE UNITED STATES.—Notwithstanding any other provision of this title, the limitations on eligibility for benefits under this title shall not apply to eligibility for benefits of aliens who are not residing, or present, in the United States with respect to—

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“(1) wages, pensions, annuities, and other
earned payments to which an alien is entitled result-
ing from employment by, or on behalf of, a Federal,
State, or local government agency which was not pro-
hibited during the period of such employment or serv-
ice under section 274A or other applicable provision
of the Immigration and Nationality Act; or
“(2) benefits under laws administered by the
Secretary of Veterans Affairs.”.

Subchapter C—Miscellaneous Clerical and
Technical Amendments; Effective Date

SEC. 5976. CORRECTING MISCELLANEOUS CLERICAL AND
TECHNICAL ERRORS.

(a) INFORMATION REPORTING UNDER TITLE IV OF
THE SOCIAL SECURITY ACT.—Effective July 1, 1997, sec-
tion 408 of the Social Security Act (42 U.S.C. 608), as
amended by section 5903, and as in effect pursuant to sec-
tion 116 of the Personal Responsibility and Work Oppor-
tunity Reconciliation Act of 1996, and as amended by sec-
tion 5906(e) of this Act, is amended by adding at the end
the following new subsection:

“(f) STATE REQUIRED TO PROVIDE CERTAIN INFOR-
MATION.—Each State to which a grant is made under sec-
tion 403 shall, at least 4 times annually and upon request
of the Immigration and Naturalization Service, furnish the
Immigration and Naturalization Service with the name and address of, and other identifying information on, any individual who the State knows is not lawfully present in the United States.”.

(b) MISCELLANEOUS CLERICAL AND TECHNICAL CORRECTIONS.—

(1) Section 411(c)(3) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1621(c)(3)) is amended by striking “4001(c)” and inserting “401(c)”.

(2) Section 422(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1632(a)) is amended by striking “benefits (as defined in section 412(c)),” and inserting “benefits,”.

(3) Section 412(b)(1)(C) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1622(b)(1)(C)) is amended by striking “with-holding” and inserting “withholding”.

(4) The subtitle heading for subtitle D of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended to read as follows:

“Subtitle D—General Provisions”.

(5) The subtitle heading for subtitle F of title IV of the Personal Responsibility and Work Opportunity
Reconciliation Act of 1996 is amended to read as follows:

“Subtitle F—Earned Income Credit Denied to Unauthorized Employees”.

(6) Section 431(c)(2)(B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1641(c)(2)(B)) is amended by striking “clause (ii) of subparagraph (A)” and inserting “subparagraph (B) of paragraph (1)”.

(7) Section 431(c)(1)(B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1641(c)(1)(B)) is amended—

(A) in clause (iii) by striking “, or” and inserting “(as in effect prior to April 1, 1997),”;

and

(B) by adding after clause (iv) the following new clause:

“(v) cancellation of removal pursuant to section 240A(b)(2) of such Act;”.

SEC. 5977. EFFECTIVE DATE.

Except as otherwise provided, the amendments made by this chapter shall be effective as if included in the enactment of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.