

BALANCED BUDGET ACT OF 1997

Volumes 1-2

H.R. 2015

**PUBLIC LAW 105-33
105TH CONGRESS**

**REPORTS, BILLS,
DEBATES, AND ACT**

Social Security Administration

**Office of the Deputy Commissioner for
Legislation and Congressional Affairs**

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This 2-volume compilation contains historical documents pertaining to P.L. 105-33, the "Balanced Budget Act of 1997."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:

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

TABLE OF CONTENTS

BALANCED BUDGET ACT OF 1997

Volume 1

I. House Action on H.R. 2015

A. Reported to House

Committee on the Budget reported bill (without amendments) committed to the Whole House--June 24, 1997 (excerpts)

House Report No. 105-149 (to accompany H.R. 2015)--June 23, 1997 (excerpts)

B. H.Res. 174, Providing for Consideration of H.R. 2015

Committee on Rules Report on H.Res. 174--House Report No. 105-152--June 25, 1997

House Debate and Passage of H.Res. 174--Congressional Record--June 25, 1997 (excerpts)

C. House Debate on H.R. 2015--Congressional Record--June 25, 1997 (excerpts)

D. House-Passed Bill

H.R. 2015 as received in the Senate--June 25, 1997 (excerpts)

II. Senate Action on S. 947/H.R. 2015

A. S. 947 in the Senate of the United States (As Reported by the Senate Committee on the Budget With No Written Report)--June 20, 1997 (excerpts)

B. Senate Amendments to S. 947
(Excerpts of SSI and Social Security-Related Provisions)

C. Senate debated and passed S. 947, with amendments

Senate debated and passed H.R. 2015, after striking all after the enacting clause and inserting the text of S. 947 (subsequently, S. 947 was indefinitely postponed)

Congressional Record--June 23, 24, and 25, 1997 (excerpts)

D. Senate-Passed Bill--June 25, 1997 (excerpts)

Volume 2

III. Conference Action

A. Senate insisted on its amendments, requested conference, and appointed conferees--Congressional Record--June 27, 1997

B. House disagreed to the Senate amendments, agreed to conference, and appointed conferees--Congressional Record--July 10, 1997

C. H.Res. 201, Waiving Same Day Consideration of Rule--Congressional Record--July 30, 1999

D. Conference Report Filed--July 29, 1997

House Report No. 105-217 (excerpts)

E. H.Res. 202 Approved, Rule Granted Allowing No Amendments to Conference Report--Congressional Record--July 30, 1997

F. House Agreed to Conference Report--Congressional Record--July 30, 1997 (excerpts)

G. Senate Began Consideration of Conference Report--Congressional Record--July 30, 1997 (excerpts)

Senate Agreed to Conference Report--Congressional Record--July 31, 1997 (excerpts)

H. House Agreed to H.J.Res. 90, Waiving Enrollment Requirements With Respect to H.R. 2015--Congressional Record--July 31, 1997

IV. Public Law

A. Public Law 105-33--105th Congress--August 5, 1997 (excerpts)

B. President Clinton's Signing Statement--August 5, 1997

C. President Clinton's Remarks and Special Message on Line Item Veto--August 11, 1997

APPENDIX

A. H.R. 2037, Budget Enforcement Act of 1997
(H.R. 2037 Was Incorporated into H.R. 2015)

B. Comparison of Budget Reconciliation Human Resources Items--
Conference Status--July 21, 1997 (excerpts)

C. Legislative Bulletin 105-4--June 12, 1997

D. Legislative Bulletin 105-6--August 1, 1997

E. Report on the Enrolled Bill, H.R. 2015

Letter to Franklin Raines, Director, Office of Management and Budget,
from John J. Callahan, Acting Commissioner of Social Security--July 31, 1997

105TH CONGRESS
1ST SESSION

H. R. 2015

[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 Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

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

1 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.

1 TITLE IV—COMMITTEE ON
2 COMMERCE—MEDICARE

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.

Sec. 4002. Transitional rules for current medicare HMO program.

Sec. 4003. Conforming changes in medigap program.

SUBCHAPTER B—SPECIAL RULES FOR MEDICAREPLUS MEDICAL SAVINGS
ACCOUNTS

Sec. 4006. MedicarePlus MSA.

SUBCHAPTER C—GME, IME, AND DSH PAYMENTS FOR MANAGED CARE
ENROLLEES

Sec. 4008. Graduate medical education and indirect medical education payments for managed care enrollees.

Sec. 4009. 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 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 COMMISSION

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.
- 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. 4411. Elimination of formula-driven overpayments (FDO) for certain outpatient hospital services.
- Sec. 4412. Extension of reductions in payments for costs of hospital outpatient services.
- Sec. 4413. Prospective payment system for hospital outpatient department services.

SUBCHAPTER B—REHABILITATION SERVICES

- Sec. 4421. Rehabilitation agencies and services.
- Sec. 4422. Comprehensive outpatient rehabilitation facilities (conf).

SUBCHAPTER C—AMBULANCE SERVICES

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

CHAPTER 3—PAYMENT UNDER PARTS A AND B

Sec. 4441. Prospective payment for home health services.

Subtitle G—Provisions Relating to Part B Only

CHAPTER 1—PHYSICIANS' SERVICES

- Sec. 4601. Establishment of single conversion factor for 1998.
 Sec. 4602. Establishing update to conversion factor to match spending under sustainable growth rate.
 Sec. 4603. Replacement of volume performance standard with sustainable growth rate.
 Sec. 4604. Payment rules for anesthesia services.
 Sec. 4605. Implementation of resource-based physician practice expense.
 Sec. 4606. Dissemination of information on high per admission relative values for in-hospital physicians' services.
 Sec. 4607. No X-ray required for chiropractic services.
 Sec. 4608. 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 services.
 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. Renal dialysis-related services.
 Sec. 4622. Payment for cochlear implants as customized durable medical equipment.

CHAPTER 3—PART B PREMIUM

Sec. 4631. 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 filing limitations.
 Sec. 4703. Permitting recovery against third party administrators.

CHAPTER 2—HOME HEALTH SERVICES

- Sec. 4711. Recapturing savings resulting from temporary freeze on payment 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.

10 **Subtitle D—Anti-Fraud and Abuse**
11 **Provisions**

17 **SEC. 4308. PROVISION OF CERTAIN IDENTIFICATION NUM-**
18 **BERS.**

19 (a) REQUIREMENTS TO DISCLOSE EMPLOYER IDEN-
20 TIFICATION NUMBERS (EINS) AND SOCIAL SECURITY AC-
21 COUNT NUMBERS (SSNs).—Section 1124(a)(1) (42
22 U.S.C. 1320a-3(a)(1)) is amended by inserting before the
23 period at the end the following: “and supply the Secretary
24 with the both the employer identification number (as-
25 signed pursuant to section 6109 of the Internal Revenue

1 Code of 1986) and social security account number (as-
2 signed under section 205(c)(2)(B)) of the disclosing en-
3 tity, each person with an ownership or control interest (as
4 defined in subsection (a)(3)), and any subcontractor in
5 which the entity directly or indirectly has a 5 percent or
6 more ownership interest. Use of the social security account
7 number under this section shall be limited to identity ver-
8 ification and identity matching purposes only. The social
9 security account number shall not be disclosed to any per-
10 son or entity other than the Secretary, the Social Security
11 Administration, or the Secretary of the Treasury, In ob-
12 taining the social security account numbers of the disclos-
13 ing entity and other persons described in this section, the
14 Secretary shall comply with section 7 of the Privacy Act
15 of 1974 (5 U.S.C. 552a note)".

16 (b) OTHER MEDICARE PROVIDERS.—Section 1124A
17 (42 U.S.C. 1320a–3a) is amended—

18 (1) in subsection (a)—

19 (A) by striking “and” at the end of para-
20 graph (1);

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

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

1 “(3) including the employer identification num-
2 ber (assigned pursuant to section 6109 of the Inter-
3 nal Revenue Code of 1986) and social security ac-
4 count number (assigned under section 205(c)(2)(B))
5 of the disclosing part B provider and any person,
6 managing employee, or other entity identified or de-
7 scribed under paragraph (1) or (2).”; and

8 (2) in subsection (c) by inserting “(or, for pur-
9 poses of subsection (a)(3), any entity receiving pay-
10 ment)” after “on an assignment-related basis”.

11 (c) VERIFICATION BY SOCIAL SECURITY ADMINIS-
12 TRATION (SSA).—Section 1124A (42 U.S.C. 1320a-3a)
13 is amended—

14 (1) by redesignating subsection (c) as sub-
15 section (d); and

16 (2) by inserting after subsection (b) the follow-
17 ing new subsection:

18 “(c) VERIFICATION.—

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

21 “(A) to the Commissioner of Social Secu-
22 rity information concerning each social security
23 account number (assigned under section
24 205(c)(2)(B)), and

1 “(B) to the Secretary of the Treasury in-
2 formation concerning each employer identifica-
3 tion number (assigned pursuant to section 6109
4 of the Internal Revenue Code of 1986),
5 supplied to the Secretary pursuant to subsection
6 (a)(3) or section 1124(c) to the extent necessary for
7 verification of such information in accordance with
8 paragraph (2).

9 “(2) VERIFICATION.—The Commissioner of So-
10 cial Security and the Secretary of the Treasury shall
11 verify the accuracy of, or correct, the information
12 supplied by the Secretary to such official pursuant
13 to paragraph (1), and shall report such verifications
14 or corrections to the Secretary.

15 “(3) FEES FOR VERIFICATION.—The Secretary
16 shall reimburse the Commissioner and Secretary of
17 the Treasury, at a rate negotiated between the Sec-
18 retary and such official, for the costs incurred by
19 such official in performing the verification and cor-
20 rection services described in this subsection.”.

21 (d) REPORT.—Before this subsection shall be effec-
22 tive, the Secretary of Health and Human Services shall
23 submit to Congress a report on steps the Secretary has
24 taken to assure the confidentiality of social security ac-
25 count numbers that will be provided to the Secretary

1 under the amendments made by this section. If Congress
2 determines that the Secretary has not taken adequate
3 steps to assure the confidentiality of social security ac-
4 count numbers to be provided to the Secretary under the
5 amendments made by this section, the amendments made
6 by this section shall not take effect.

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

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

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

13 **TITLE IX—COMMITTEE ON WAYS**
 14 **AND MEANS—NONMEDICARE**

15 **SEC. 9000. TABLE OF CONTENTS.**

16 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.

718

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.

1 **Subtitle B—Supplemental Security**
2 **Income**

3 **SEC. 9101. REQUIREMENT TO PERFORM CHILDHOOD DIS-**
4 **ABILITY REDETERMINATIONS IN MISSED**
5 **CASES.**

6 Section 211(d)(2) of the Personal Responsibility and
7 Work Opportunity Reconciliation Act of 1996 (110 Stat.
8 2190) is amended—

9 (1) in subparagraph (A)—

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

12 (B) by inserting after the 1st sentence the
13 following: “Any redetermination required by the
14 preceding sentence that is not performed before
15 the end of the period described in the preceding
16 sentence shall be performed as soon as is prac-
17 ticable thereafter.”; and

18 (2) in subparagraph (C), by adding at the end
19 the following: “Before commencing a redetermina-
20 tion under the 2nd sentence of subparagraph (A), in
21 any case in which the individual involved has not al-
22 ready been notified of the provisions of this para-
23 graph, the Commissioner of Social Security shall no-
24 tify the individual involved of the provisions of this
25 paragraph.”.

1 **SEC. 9102. REPEAL OF MAINTENANCE OF EFFORT RE-**
2 **QUIREMENTS APPLICABLE TO OPTIONAL**
3 **STATE PROGRAMS FOR SUPPLEMENTATION**
4 **OF SSI BENEFITS.**

5 Section 1618 of the Social Security Act (42 U.S.C.
6 1382g) is repealed.

7 **SEC. 9103. FEES FOR FEDERAL ADMINISTRATION OF STATE**
8 **SUPPLEMENTARY PAYMENTS.**

9 (a) **FEE SCHEDULE.—**

10 (1) **OPTIONAL STATE SUPPLEMENTARY PAY-**
11 **MENTS.—**

12 (A) **IN GENERAL.—**Section 1616(d)(2)(B)
13 of the Social Security Act (42 U.S.C.
14 1382e(d)(2)(B)) is amended—

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

17 (ii) by striking clause (iv) and insert-
18 ing the following:

19 “(iv) for fiscal year 1997, \$5.00;

20 “(v) for fiscal year 1998, \$6.20;

21 “(vi) for fiscal year 1999, \$7.60;

22 “(vii) for fiscal year 2000, \$7.80;

23 “(viii) for fiscal year 2001, \$8.10;

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

25 “(x) for fiscal year 2003 and each succeeding
26 fiscal year—

1 “(VI) for fiscal year 1999, \$7.60;
2 “(VII) for fiscal year 2000, \$7.80;
3 “(VIII) for fiscal year 2001, \$8.10;
4 “(IX) for fiscal year 2002, \$8.50; and
5 “(X) for fiscal year 2003 and each succeeding
6 fiscal year—

7 “(aa) the applicable rate in the preceding
8 fiscal year, increased by the percentage, if any,
9 by which the Consumer Price Index for the
10 month of June of the calendar year of the in-
11 crease exceeds the Consumer Price Index for
12 the month of June of the calendar year preced-
13 ing the calendar year of the increase, and
14 rounded to the nearest whole cent; or

15 “(bb) such different rate as the Commis-
16 sioner determines is appropriate for the State.”.

17 (B) CONFORMING AMENDMENT.—Section
18 212(b)(3)(B)(iii) of such Act (42 U.S.C. 1382
19 note) is amended by striking “(ii)(IV)” and in-
20 serting “(ii)(X)(bb)”.

21 (b) USE OF NEW FEES TO DEFRAY THE SOCIAL SE-
22 CURITY ADMINISTRATION’S ADMINISTRATIVE EX-
23 PENSES.—

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

1 (A) OPTIONAL STATE SUPPLEMENTARY
2 PAYMENT FEES.—Section 1616(d)(4) of the So-
3 cial Security Act (42 U.S.C. 1382e(d)(4)) is
4 amended to read as follows:

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

9 “(B) That portion of each administration fee in ex-
10 cess of \$5, and 100 percent of each additional services
11 fee charged pursuant to paragraph (3), upon collection for
12 fiscal year 1998 and each subsequent fiscal year, shall be
13 credited to a special fund established in the Treasury of
14 the United States for State supplementary payment fees.
15 The amounts so credited, to the extent and in the amounts
16 provided in advance in appropriations Acts, shall be avail-
17 able to defray expenses incurred in carrying out this title
18 and related laws.”.

19 (B) MANDATORY STATE SUPPLEMENTARY
20 PAYMENT FEES.—Section 212(b)(3)(D) of Pub-
21 lic Law 93–66 (42 U.S.C. 1382 note) is amend-
22 ed to read as follows:

23 “(D)(i) The first \$5 of each administration fee as-
24 sessed pursuant to subparagraph (B), upon collection,

1 shall be deposited in the general fund of the Treasury of
2 the United States as miscellaneous receipts.

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

14 (2) LIMITATIONS ON AUTHORIZATION OF AP-
15 PROPRIATIONS.—From amounts credited pursuant
16 to section 1616(d)(4)(B) of the Social Security Act
17 and section 212(b)(3)(D)(ii) of Public Law 93–66 to
18 the special fund established in the Treasury of the
19 United States for State supplementary payment
20 fees, there is authorized to be appropriated an
21 amount not to exceed \$35,000,000 for fiscal year
22 1998, and such sums as may be necessary for each
23 fiscal year thereafter.

1 graph (3)(A) paragraph 1 shall not apply
2 to an alien until 7 years after the date—

3 “(I) an alien is admitted to the
4 United States as a refugee under sec-
5 tion 207 of the Immigration and Na-
6 tionality Act;

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

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

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

17 “(I) an alien is admitted to the
18 United States as a refugee under sec-
19 tion 207 of the Immigration and Na-
20 tionality Act;

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

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

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

5 “(A) TIME-LIMITED EXCEPTION FOR REF-
6 UGEES AND ASYLEES.—

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

12 “(I) an alien is admitted to the
13 United States as a refugee under sec-
14 tion 207 of the Immigration and Na-
15 tionality Act;

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

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

21 “(ii) OTHER DESIGNATED FEDERAL
22 PROGRAMS.—With respect to the des-
23 ignated Federal programs under paragraph
24 (3) (other than subparagraph (C)), para-

1 graph 1 shall not apply to an alien until 5
2 years after the date—

3 “(I) an alien is admitted to the
4 United States as a refugee under sec-
5 tion 207 of the Immigration and Na-
6 tionality Act;

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

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

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

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

18 “(E) ALIENS RECEIVING SSI ON AUGUST
19 22, 1996.—With respect to eligibility for bene-
20 fits for the program defined in paragraph
21 (3)(A) (relating to the supplemental security in-
22 come program), paragraph (1) shall not apply
23 to an alien who was receiving such benefits on
24 August 22, 1996.”

1 (b) STATUS OF CUBAN AND HAITIAN ENTRANTS AND
2 AMERASIAN PERMANENT RESIDENT ALIENS.—For pur-
3 poses of section 402(a)(2)(E) of the Personal Responsibil-
4 ity and Work Opportunity Reconciliation Act of 1996, the
5 following aliens shall be considered qualified aliens:

6 (1) An alien who is a Cuban and Haitian en-
7 trant as defined in section 501(e) of the Refugee
8 Education Assistance Act of 1980.

9 (2) An alien admitted to the United States as
10 an Amerasian immigrant pursuant to section 584 of
11 the Foreign Operations, Export Financing, and Re-
12 lated Programs Appropriations Act, 1988, as con-
13 tained in section 101(e) of Public Law 100-202,
14 (other than an alien admitted pursuant to section
15 584(b)(1)(C)).

16 (c) CONFORMING AMENDMENTS.—Section
17 402(a)(2)(D) of the Personal Responsibility and Work Op-
18 portunity Reconciliation Act of 1996 (8 U.S.C.
19 1612(a)(D)) is amended—

20 (1) by striking clause (i);

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

23 (3) by striking “(ii) FOOD STAMPS’.—”;

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

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

4 Section 402(a)(2) of the Personal Responsibility and
5 Work Opportunity Reconciliation Act of 1996 (8 U.S.C.
6 1612(a)(2)) (as amended by section 9302) is amended by
7 adding after subparagraph (E) the following new subpara-
8 graph:

9 “(F) PERMANENT RESIDENT ALIENS WHO
10 ARE MEMBERS OF AN INDIAN TRIBE.—With re-
11 spect to eligibility for benefits for the program
12 defined in paragraph (3)(A) (relating to the
13 supplemental security income program), para-
14 graph (1) shall not apply to an alien who—

15 “(i) is lawfully admitted for perma-
16 nent residence under the Immigration and
17 Nationality Act; and

18 “(ii) is a member of an Indian tribe
19 (as defined in section 4(e) of the Indian
20 Self-Determination and Education Assist-
21 ance Act).”.

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

24 (a) IN GENERAL.—The Personal Responsibility and
25 Work Opportunity Reconciliation Act of 1996 is amended
26 by adding after section 412 the following new section:

1 **“SEC. 413. AUTHORIZATION FOR VERIFICATION OF ELIGI-**
2 **BILITY FOR STATE AND LOCAL PUBLIC BENE-**
3 **FITS.**

4 “A State or political subdivision of a State is author-
5 ized to require an applicant for State and local public ben-
6 efits (as defined in section 411(c)) to provide proof of eli-
7 gibility.”.

8 (b) CLERICAL AMENDMENT.—Section 2 of the Per-
9 sonal Responsibility and Work Opportunity Reconciliation
10 Act of 1996 is amended by adding after the item related
11 to section 412 the following:

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

12 **SEC. 9305. DERIVATIVE ELIGIBILITY FOR BENEFITS.**

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

16 **“SEC. 436. DERIVATIVE ELIGIBILITY FOR BENEFITS.**

17 “(a) FOOD STAMPS.—Notwithstanding any other
18 provision of law, an alien who under the provisions of this
19 title is ineligible for benefits under the food stamp pro-
20 gram (as defined in section 402(a)(3)(A)) shall not be eli-
21 gible for such benefits because the alien receives benefits
22 under the supplemental security income program (as de-
23 fined in section 402(a)(3)(B)).

1 “(b) MEDICAID.—Notwithstanding any other provi-
2 sion of this title, an alien who under the provisions of this
3 title is ineligible for benefits under the medicaid program
4 (as defined in section 402(b)(3)(C)) shall be eligible for
5 such benefits if the alien is receiving benefits under the
6 supplemental security income program and title XIX of
7 the Social Security Act provides for such derivative eligi-
8 bility.”.

9 (b) CLERICAL AMENDMENT.—Section 2 of the Per-
10 sonal Responsibility and Work Opportunity Reconciliation
11 Act of 1996 is amended by adding after the item related
12 to section 435 the following:

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

13 **SEC. 9306. EFFECTIVE DATE.**

14 Except as otherwise provided, the amendments made
15 by this subtitle shall be effective as if included in the en-
16 actment of title IV of the Personal Responsibility and
17 Work Opportunity Reconciliation Act of 1996.

1 **TITLE X—COMMITTEE ON WAYS**
2 **AND MEANS—MEDICARE**

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

6 (a) AMENDMENTS TO SOCIAL SECURITY ACT.—Ex-
7 cept as otherwise specifically provided, whenever in this
8 title an amendment is expressed in terms of an amend-
9 ment to or repeal of a section or other provision, the ref-
10 erence shall be considered to be made to that section or
11 other provision of the Social Security Act.

12 (b) REFERENCES TO OBRA.—In this title, the terms
13 “OBRA–1986”, “OBRA–1987”, “OBRA–1989”,
14 “OBRA–1990”, and “OBRA–1993” refer to the Omnibus
15 Budget Reconciliation Act of 1986 (Public Law 99–509),
16 the Omnibus Budget Reconciliation Act of 1987 (Public
17 Law 100–203), the Omnibus Budget Reconciliation Act
18 of 1989 (Public Law 101–239), the Omnibus Budget Rec-
19 onciliation Act of 1990 (Public Law 101–508), and the
20 Omnibus Budget Reconciliation Act of 1993 (Public Law
21 103–66), respectively.

22 (c) TABLE OF CONTENTS OF TITLE.—The table of
23 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. 10601. Establishment of single conversion factor for 1998.
- 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 regimens.
- 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.

- Sec. 10812. Calculation and payment of damages.
- Sec. 10813. Alternative dispute resolution.

17 **Subtitle D—Anti-Fraud and Abuse**
18 **Provisions**

17 **SEC. 10308. PROVISION OF CERTAIN IDENTIFICATION NUM-**
18 **BERS.**

19 (a) REQUIREMENTS TO DISCLOSE EMPLOYER IDEN-
20 TIFICATION NUMBERS (EINS) AND SOCIAL SECURITY AC-
21 COUNT NUMBERS (SSNs).—Section 1124(a)(1) (42
22 U.S.C. 1320a-3(a)(1)) is amended by inserting before the
23 period at the end the following: “and supply the Secretary
24 with the both the employer identification number (as-
25 signed pursuant to section 6109 of the Internal Revenue

1 Code of 1986) and social security account number (as-
2 signed under section 205(c)(2)(B)) of the disclosing en-
3 tity, each person with an ownership or control interest (as
4 defined in subsection (a)(3)), and any subcontractor in
5 which the entity directly or indirectly has a 5 percent or
6 more ownership interest”.

7 (b) OTHER MEDICARE PROVIDERS.—Section 1124A
8 (42 U.S.C. 1320a–3a) is amended—

9 (1) in subsection (a)—

10 (A) by striking “and” at the end of para-
11 graph (1);

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

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

16 “(3) including the employer identification num-
17 ber (assigned pursuant to section 6109 of the Inter-
18 nal Revenue Code of 1986) and social security ac-
19 count number (assigned under section 205(c)(2)(B))
20 of the disclosing part B provider and any person,
21 managing employee, or other entity identified or de-
22 scribed under paragraph (1) or (2).”; and

23 (2) in subsection (c) by inserting “(or, for pur-
24 poses of subsection (a)(3), any entity receiving pay-
25 ment)” after “on an assignment-related basis”.

1 (c) VERIFICATION BY SOCIAL SECURITY ADMINIS-
2 TRATION (SSA).—Section 1124A (42 U.S.C. 1320a–3a) is
3 amended—

4 (1) by redesignating subsection (c) as sub-
5 section (d); and

6 (2) by inserting after subsection (b) the follow-
7 ing new subsection:

8 “(c) VERIFICATION.—

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

11 “(A) to the Commissioner of Social Secu-
12 rity information concerning each social security
13 account number (assigned under section
14 205(c)(2)(B)), and

15 “(B) to the Secretary of the Treasury in-
16 formation concerning each employer identifica-
17 tion number (assigned pursuant to section 6109
18 of the Internal Revenue Code of 1986),

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

23 “(2) VERIFICATION.—The Commissioner of So-
24 cial Security and the Secretary of the Treasury shall
25 verify the accuracy of, or correct, the information

1 supplied by the Secretary to such official pursuant
2 to paragraph (1), and shall report such verifications
3 or corrections to the Secretary.

4 “(3) FEES FOR VERIFICATION.—The Secretary
5 shall reimburse the Commissioner and Secretary of
6 the Treasury, at a rate negotiated between the Sec-
7 retary and such official, for the costs incurred by
8 such official in performing the verification and cor-
9 rection services described in this subsection.”.

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

15 (e) EFFECTIVE DATES.—

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

22 (2) The amendments made by subsection (b)
23 shall apply to payment for items and services fur-
24 nished more than 90 days after the date of submis-
25 sion of such report.

Union Calendar No. 89

105TH CONGRESS
1ST SESSION

H. R. 2015

[Report No. 105-149]

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

R E P O R T

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

U.S. GOVERNMENT PRINTING OFFICE

COMMITTEE ON THE BUDGET

JOHN R. KASICH, Ohio, *Chairman*

DAVID L. HOBSON, Ohio, <i>Speaker's Designee</i>	JOHN M. SPRATT, Jr., South Carolina, <i>Ranking Minority Member</i>
CHRISTOPHER SHAYS, Connecticut	JIM McDERMOTT, Washington, <i>Leadership Designee</i>
WALLY HERGER, California	ALAN B. MOLLOHAN, West Virginia
JIM BUNNING, Kentucky	JERRY F. COSTELLO, Illinois
LAMAR S. SMITH, Texas	PATSY T. MINK, Hawaii
DAN MILLER, Florida	EARL POMEROY, North Dakota
BOB FRANKS, New Jersey	LYNN C. WOOLSEY, California
NICK SMITH, Michigan	LUCILLE ROYBAL-ALLARD, California
BOB INGLIS, South Carolina	LYNN N. RIVERS, Michigan
SUSAN MOLINARI, New York	LLOYD DOGGETT, Texas
JIM NUSSLE, Iowa	BENNIE G. THOMPSON, Mississippi
PETER HOEKSTRA, Michigan	BENJAMIN L. CARDIN, Maryland
JOHN SHADEGG, Arizona	DAVID MINGE, Minnesota
GEORGE P. RADANOVICH, California	SCOTTY BAESLER, Kentucky
CHARLES F. BASS, New Hampshire	KEN BENTSEN, Texas
MARK W. NEUMANN, Wisconsin	JIM DAVIS, Florida
MIKE PARKER, Mississippi	BRAD SHERMAN, California
BOB EHRLICH, Maryland	ROBERT A. WEYGAND, Rhode Island
GIL GUTKNECHT, Minnesota	EVA M. CLAYTON, North Carolina
VAN HILLEARY, Tennessee	
KAY GRANGER, Texas	
JOHN E. SUNUNU, New Hampshire	
JOSEPH PITTS, Pennsylvania	

PROFESSIONAL STAFF

RICHARD E. MAY, *Staff Director*
THOMAS S. KAHN, *Minority Staff Director and Chief Counsel*

CONTENTS

LEGISLATIVE LANGUAGE

	Page
Title I—Committee on Agriculture	2
Title II—Committee on Banking and Financial Services	5
Title III—Committee on Commerce—NonMedicare	6
Title IV—Committee on Commerce—Medicare	72
Title V—Committee on Education and the Workforce	228
Title VI—Committee on Government Reform and Oversight	263
Title VII—Committee on Transportation and Infrastructure	271
Title VIII—Committee on Veterans' Affairs	272
Title IX—Committee on Ways and Means—NonMedicare	278
Title X—Committee on Ways and Means—Medicare	303

REPORT LANGUAGE

Introduction	495
Title I—Committee on Agriculture	505
Title II—Committee on Banking and Financial Services	524
Title III—Committee on Commerce—NonMedicare	529
Title IV—Committee on Commerce—Medicare	645
Title V—Committee on Education and the Workforce	977
Title VI—Committee on Government Reform and Oversight	1091
Title VII—Committee on Transportation and Infrastructure	1125
Title VIII—Committee on Veterans' Affairs	1135
Title IX—Committee on Ways and Means—NonMedicare	1197
Title X—Committee on Ways and Means—Medicare	1382
Miscellaneous House Report Requirements	1619
Additional and Minority Views	1625

PROVIDING FOR RECONCILIATION PURSUANT TO SUB-
SECTIONS (b)(1) AND (c) OF SECTION 105 OF THE CON-
CURRENT 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

R E P O R T

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 rec-
ommendations were submitted pursuant to subsections (b)(1) and
(c) of section 105 of House Concurrent Resolution 84, the concur-
rent resolution on the budget for fiscal year 1998, having consid-
ered 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.
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 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. 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.

Sec. 4002. Transitional rules for current medicare HMO program.

Sec. 4003. Conforming changes in medigap program.

SUBCHAPTER B—SPECIAL RULES FOR MEDICAREPLUS MEDICAL SAVINGS ACCOUNTS

Sec. 4006. MedicarePlus MSA.

SUBCHAPTER C—GME, IME, AND DSH PAYMENTS FOR MANAGED CARE ENROLLEES

Sec. 4008. Graduate medical education and indirect medical education payments for managed care enrollees.

Sec. 4009. 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 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 COMMISSION

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.

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. 4411. Elimination of formula-driven overpayments (FDO) for certain outpatient hospital services.

- Sec. 4412. Extension of reductions in payments for costs of hospital outpatient services.
- Sec. 4413. Prospective payment system for hospital outpatient department services.

SUBCHAPTER B—REHABILITATION SERVICES

- Sec. 4421. Rehabilitation agencies and services.
- Sec. 4422. Comprehensive outpatient rehabilitation facilities (conf).

SUBCHAPTER C—AMBULANCE SERVICES

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

CHAPTER 3—PAYMENT UNDER PARTS A AND B

- Sec. 4441. Prospective payment for home health services.

Subtitle G—Provisions Relating to Part B Only

CHAPTER 1—PHYSICIANS' SERVICES

- Sec. 4601. Establishment of single conversion factor for 1998.
- Sec. 4602. Establishing update to conversion factor to match spending under sustainable growth rate.
- Sec. 4603. Replacement of volume performance standard with sustainable growth rate.
- Sec. 4604. Payment rules for anesthesia services.
- Sec. 4605. Implementation of resource-based physician practice expense.
- Sec. 4606. Dissemination of information on high per admission relative values for in-hospital physicians' services.
- Sec. 4607. No X-ray required for chiropractic services.
- Sec. 4608. 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 services.
- 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. Renal dialysis-related services.
- Sec. 4622. Payment for cochlear implants as customized durable medical equipment.

CHAPTER 3—PART B PREMIUM

- Sec. 4631. 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 filing limitations.
- Sec. 4703. Permitting recovery against third party administrators.

CHAPTER 2—HOME HEALTH SERVICES

- Sec. 4711. Recapturing savings resulting from temporary freeze on payment 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

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 insert-

ing 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).”; 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 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 RE-DETERMINATIONS 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 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 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.”;
- (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.

(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. 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. 10601. Establishment of single conversion factor for 1998.

- 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.
- 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 insert-

405

ing 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:

“(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) **FEEES 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

406

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.

STATEMENT OF THE HOUSE COMMITTEE ON THE BUDGET
ON THE BALANCED BUDGET ACT OF 1997

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.

(495)

496

- It proves Congress and the administration can achieve common goals without compromising fundamental principles.

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.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
Washington, DC, June 17, 1997.

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-

mon, M.D., MPH Member, Board of Directors, Partnership for Prevention, representing the American Gastroenterological Association.

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.

716

SUBTITLE D—ANTI-FRAUD AND ABUSE PROVISIONS

718

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.

CHANGES IN EXISTING LAW MADE BY TITLE IV

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 infor-
mation—

(1) on the identity of each person with an ownership or con-
trol 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 em-
ployee is a person with an ownership or control interest at
the time such information is supplied or at any time dur-
ing the 3-year period ending on the date such information
is supplied, and

(B) as to whether any penalties, assessments, or exclu-
sions 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 concern-
ing each employer identification number (assigned pursu-
ant to section 6109 of the Internal Revenue Code of 1986),
supplied to the Secretary pursuant to subsection (a)(3) or sec-
tion 1124(c) to the extent necessary for verification of such infor-
mation 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 the Secretary determines—

(A) * * *

* * * * *

(D) 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],

(E) 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 exclusion; or

(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).

* * * * *

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 13, 1997.

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]

	1997	1998	1999	2000	2001	2002	1997-2002 total	1998-2002 total
DIRECT SPENDING								
Subtitle A: Temporary Assistance for needy Families Block Grant, ¹ Welfare to Work Grants:								
Budget Authority ..	0	750	1,250	1,000	0	0	3,000	3,000
Outlays	0	137	596	1,087	779	385	2,984	2,984
Subtitle B: Supplemental Security Income, ^{2,3} SSI:								
Budget Authority ..	0	(35)	(70)	(80)	(90)	(105)	(380)	(380)
Outlays	0	(35)	(70)	(80)	(90)	(105)	(380)	(380)
Subtitle D: Restricting Welfare and Public Benefits for Aliens; SSI:								
Budget Au- thority	200	1,900	1,650	1,525	1,150	1,175	7,600	7,400
Outlays	200	1,900	1,650	1,525	1,150	1,175	7,600	7,400
Food Stamp Program:								
Budget Au- thority	0	0	0	0	0	0	0	0

(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]

	1997	1998	1999	2000	2001	2002	1997-2002 total	1998-2002 total
Outlays	0	0	0	0	0	0	0	0
Medicaid:								
Budget Au- thority	40	375	350	300	275	275	1,615	1,575
Outlays	40	375	350	300	275	275	1,615	1,575
Total Subtitle D:								
Budget Authority ..	240	2,275	2,000	1,825	1,425	1,450	9,215	8,975
Outlays	240	2,275	2,000	1,825	1,425	1,450	9,215	8,975
Subtitle: Unemployment Compensation: ⁴								
Budget Authority ..	0	(34)	(36)	(238)	(247)	(257)	(814)	(814)
Outlays	0	(34)	(36)	(238)	(247)	(257)	(814)	(814)
Total Direct Spending:								
Budget Authority ..	240	2,956	3,144	2,507	1,088	1,088	11,021	10,781
Outlays	240	2,343	2,490	2,594	1,867	1,473	11,005	10,765
REVENUES								
Subtitle: Unemployment C	0	0	(11)	488	495	410	1,380	1,380

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 indirect effects. Assuming that states reduce their supplements in response to this provision, the principal indirect 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 cashout 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.

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:

<i>Fiscal year</i>	<i>Adminis- trative fee</i>
1997	\$5.00
1998	6.20
1999	7.60
2000	7.80
2001	8.10
2002	8.50

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 Rediscoveries 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

SSI. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) bars most "qualified aliens" from Supplemental Security Income (SSI) (sec. 402(a)). Current recipients must be screened for continuing eligibility during a 1-year period after enactment of the welfare law (i.e., by Aug. 22, 1997). The pending fiscal year 1997 supplemental appropriations bill would extend this date until September 30, 1997.

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 and 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 follows:

Representatives	Yea	Nay	Representatives	Yea	Nay
Mr. Archer	X	.....	Mr. Rangel .....	.....	X
Mr. Crane	X	.....	Mr. Stark .....	.....	X
Mr. Thomas	X	.....	Mr. Matsui .....	.....	X
Mr. Shaw	X	.....	Mrs. Kennelly .....	.....	X
Mrs. Johnson	X	.....	Mr. Coyne .....	.....	X
Mr. Bunning	X	.....	Mr. Levin .....	.....	X
Mr. Houghton	X	.....	Mr. Cardin .....	.....	X
Mr. Herger .....	.....	X	Mr. McDermott .....	.....	X
Mr. McCrery	X	.....	Mr. Kleczka .....	.....	X
Mr. Camp	X	.....	Mr. Lewis .....	.....	X
Mr. Ramstad	X	.....	Mr. Neal .....	.....	X
Mr. Nussle	X	.....	Mr. McNulty .....	.....	X
Mr. Johnson	X	.....	Mr. Jefferson .....	.....	X
Ms. Dunn	X	.....	Mr. Tanner .....	.....	X
Mr. Collins .....	.....	X	Mr. Becerra .....	.....	X
Mr. Portman	X	.....	Mrs. Thurman .....	.....	X
Mr. English	X	.....		
Mr. Ensign	X	.....		
Mr. Christensen	X	.....		
Mr. Watkins	X	.....		
Mr. Hayworth	X	.....		
Mr. Weller	X	.....		
Mr. Hulshof	X	.....		

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:

Representatives	Yea	Nay	Representatives	Yea	Nay
Mr. Archer	X	Mr. Rangel	X	.....
Mr. Crane	X	Mr. Stark	X	.....
Mr. Thomas	Mr. Matsui	X	.....
Mr. Shaw	X	Mrs. Kennelly	X	.....
Mrs. Johnson	X	Mr. Coyne	X	.....
Mr. Bunning	X	Mr. Levin	X	.....
Mr. Houghton	X	Mr. Cardin	X	.....
Mr. Herger	X	Mr. McDermott	X	.....
Mr. McCrery	X	Mr. Kleczka	X	.....
Mr. Camp	X	Mr. Lewis	X	.....
Mr. Ramstad	X	Mr. Neal .....	.....	.....
Mr. Nussle	Mr. McNulty	X	.....
Mr. Johnson	Mr. Jefferson	X	.....

Representatives	Yea	Nay	Representatives	Yea	Nay
Ms. Dunn		X	Mr. Tanner	X	
Mr. Collins		X	Mr. Becerra	X	
Mr. Portman		X	Mrs. Thurman	X	
Mr. English		X			
Mr. Ensign	X				
Mr. Christensen		X			
Mr. Watkins		X			
Mr. Hayworth		X			
Mr. Weller		X			
Mr. Hulshof		X			

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:

Representatives	Yea	Nay	Representatives	Yea	Nay
Mr. Archer		X	Mr. Rangel	X	
Mr. Crane		X	Mr. Stark	X	
Mr. Thomas		X	Mr. Matsui	X	
Mr. Shaw		X	Mrs. Kennelly	X	
Mrs. Johnson		X	Mr. Coyne	X	
Mr. Bunning		X	Mr. Levin	X	
Mr. Houghton		X	Mr. Cardin	X	
Mr. Herger		X	Mr. McDermott	X	
Mr. McCrery		X	Mr. Kleczka	X	
Mr. Camp		X	Mr. Lewis	X	
Mr. Ramstad		X	Mr. Neal	X	
Mr. Nussle		X	Mr. McNulty	X	
Mr. Johnson		X	Mr. Jefferson	X	
Ms. Dunn		X	Mr. Tanner	X	
Mr. Collins		X	Mr. Becerra	X	
Mr. Portman		X	Mrs. Thurman	X	
Mr. English		X			
Mr. Ensign		X			
Mr. Christensen		X			
Mr. Watkins		X			
Mr. Hayworth		X			
Mr. Weller		X			
Mr. Hulshof		X			

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:

Representatives	Yea	Nay	Representatives	Yea	Nay
Mr. Archer		X	Mr. Rangel	X	
Mr. Crane		X	Mr. Stark	X	
Mr. Thomas		X	Mr. Matsui	X	
Mr. Shaw		X	Mrs. Kennelly	X	
Mrs. Johnson	X		Mr. Coyne	X	
Mr. Bunning	X		Mr. Levin	X	
Mr. Houghton	X		Mr. Cardin	X	
Mr. Herger		X	Mr. McDermott	X	
Mr. McCrery		X	Mr. Kleczka	X	
Mr. Camp		X	Mr. Lewis	X	
Mr. Ramstad		X	Mr. Neal	X	
Mr. Nussle		X	Mr. McNulty	X	
Mr. Johnson		X	Mr. Jefferson	X	

Representatives	Yea	Nay	Representatives	Yea	Nay
Ms. Dunn		X	Mr. Tanner	X	
Mr. Collins	X		Mr. Becerra	X	
Mr. Portman		X	Mrs. Thurman	X	
Mr. English		X			
Mr. Ensign		X			
Mr. Christensen		X			
Mr. Watkins		X			
Mr. Hayworth		X			
Mr. Weller		X			
Mr. Hulshof		X			

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:

Representatives	Yea	Nay	Representatives	Yea	Nay
Mr. Archer			Mr. Rangel	X	
Mr. Crane	X		Mr. Stark	X	
Mr. Thomas		X	Mr. Matsui	X	
Mr. Shaw		X	Mrs. Kennelly	X	
Mrs. Johnson	X		Mr. Coyne	X	
Mr. Bunning	X		Mr. Levin	X	
Mr. Houghton	X		Mr. Cardin	X	
Mr. Heger	X		Mr. McDermott	X	
Mr. McCrery	X		Mr. Kieccka	X	
Mr. Camp	X		Mr. Lewis	X	
Mr. Ramstad	X		Mr. Neal	X	
Mr. Nussle	X		Mr. McNulty	X	
Mr. Johnson	X		Mr. Jefferson	X	
Ms. Dunn	X		Mr. Tanner	X	
Mr. Collins	X		Mr. Becerra	X	
Mr. Portman	X		Mrs. Thurman	X	
Mr. English	X				
Mr. Ensign	X				
Mr. Christensen	X				
Mr. Watkins	X				
Mr. Hayworth	X				
Mr. Weller	X				
Mr. Hulshof	X				

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:

Representatives	Yea	Nay	Representatives	Yea	Nay
Mr. Archer		X	Mr. Rangel	X	
Mr. Crane		X	Mr. Stark	X	
Mr. Thomas		X	Mr. Matsui	X	
Mr. Shaw		X	Mrs. Kennelly	X	
Mrs. Johnson	X		Mr. Coyne	X	
Mr. Bunning	X		Mr. Levin	X	
Mr. Houghton	X		Mr. Cardin	X	
Mr. Heger	X		Mr. McDermott	X	
Mr. McCrery	X		Mr. Kieccka	X	
Mr. Camp	X		Mr. Lewis	X	
Mr. Ramstad	X		Mr. Neal	X	
Mr. Nussle	X		Mr. McNulty	X	
Mr. Johnson	X		Mr. Jefferson	X	
Ms. Dunn	X		Mr. Tanner	X	
Mr. Collins	X		Mr. Becerra	X	
Mr. Portman	X		Mrs. Thurman	X	
Mr. English	X				

Representatives	Yea	Nay	Representatives	Yea	Nay
Mr. Ensign		X			
Mr. Christensen		X			
Mr. Watkins		X			
Mr. Hayworth		X			
Mr. Weller		X			
Mr. Hulshof		X			

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:

Representatives	Yea	Nay	Representatives	Yea	Nay
Mr. Archer		X	Mr. Rangel	X	
Mr. Crane		X	Mr. Stark	X	
Mr. Thomas	X		Mr. Matsui	X	
Mr. Shaw		X	Mrs. Kennelly	X	
Mrs. Johnson	X		Mr. Coyne	X	
Mr. Bunning		X	Mr. Levin	X	
Mr. Houghton		X	Mr. Cardin	X	
Mr. Herger		X	Mr. McDermott	X	
Mr. McCrery		X	Mr. Kleczka	X	
Mr. Camp		X	Mr. Lewis	X	
Mr. Ramstad		X	Mr. Neal	X	
Mr. Nussle		X	Mr. McNulty	X	
Mr. Johnson		X	Mr. Jefferson	X	
Ms. Dunn		X	Mr. Tanner	X	
Mr. Collins	X		Mr. Becerra	X	
Mr. Portman		X	Mr. Thurman	X	
Mr. English		X			
Mr. Ensign		X			
Mr. Christensen		X			
Mr. Watkins		X			
Mr. Hayworth		X			
Mr. Weller		X			
Mr. Hulshof		X			

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:

Representatives	Yea	Nay	Representatives	Yea	Nay
Mr. Archer		X	Mr. Rangel	X	
Mr. Crane		X	Mr. Stark	X	
Mr. Thomas		X	Mr. Matsui	X	
Mr. Shaw		X	Mrs. Kennelly	X	
Mrs. Johnson		X	Mr. Coyne	X	
Mr. Bunning		X	Mr. Levin	X	
Mr. Houghton		X	Mr. Cardin	X	
Mr. Herger		X	Mr. McDermott	X	
Mr. McCrery		X	Mr. Kleczka	X	
Mr. Camp		X	Mr. Lewis	X	
Mr. Ramstad		X	Mr. Neal	X	
Mr. Nussle		X	Mr. McNulty	X	
Mr. Johnson		X	Mr. Jefferson	X	
Ms. Dunn		X	Mr. Tanner	X	
Mr. Collins		X	Mr. Becerra	X	
Mr. Portman		X	Mrs. Thurman	X	
Mr. English	X				
Mr. Ensign		X			
Mr. Christensen		X			

Representatives	Yea	Nay	Representatives	Yea	Nay
Mr. Watkins	X			
Mr. Hayworth	X			
Mr. Weller	X			
Mr. Hulshof	X			

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(1)(3)(B) of Rule XI of the House of Representatives, the Committees 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(1)(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,
Washington, DC, June 16, 1997.

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.*

ESTIMATED BUDGETARY IMPACT OF THE RECONCILIATION RECOMMENDATIONS OF THE COMMITTEE
ON WAYS AND MEANS

[Outlays by fiscal year, in millions of dollars]

	1997	1998	1999	2000	2001	2002
DIRECT SPENDING						
Spending Under Current Law						
Family Support ¹	20,121	21,825	22,194	22,767	22,836	22,889
Supplemental Security Income (fees)	-155	-140	-145	-150	-155	-160
Supplemental Security Income (spending) ²	27,458	26,135	28,001	32,593	29,733	34,638
Medicaid ²	98,639	105,308	113,619	122,861	132,792	143,783
Unemployment Compensation ³	22,958	24,489	26,418	28,085	29,588	30,751
Interest on UI loans to States	0	0	0	0	0	0
Proposed Changes						
Family Support	0	137	596	1,087	691	350
Supplemental Security Income (fees)	0	-35	-70	-80	-90	-105
Supplemental Security Income (spending) ...	0	1,900	1,650	1,525	1,150	1,175
Medicaid ⁴	0	375	350	300	275	275
Unemployment Compensation	0	-29	-31	-233	-242	-252
Interest on UI loans to States	0	-5	-5	-5	-5	-5
Total	0	2,343	2,490	2,594	1,779	1,438
Spending Under Title IX						
Family Support	20,121	21,962	22,790	23,854	23,527	23,239
Supplemental Security Income (fees)	-155	-175	-215	-230	-245	-265
Supplemental Security Income (spending) ...	27,458	28,035	29,651	34,118	30,883	35,813
Medicaid	98,639	105,683	113,969	123,161	133,067	144,058
Unemployment Compensation	22,958	24,460	26,387	27,852	29,346	30,499
Interest on UI loans to States	0	-5	-5	-5	-5	-5
REVENUES						
Unemployment Insurance Revenues	0	0	-11	488	495	410
DEFICIT						
Total	0	2,343	2,501	2,106	1,284	1,028

¹ Family support includes the Temporary Assistance for Needy Family 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 (H.R. 1871).

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 even Circuit United States Court of Appeals, which affirmed the judgment of the District Court 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 PRWORA were assumed by CBO to re-

turn to the rolls through naturalization. Multiplying the number of aliens retaining SSI 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.

(By fiscal year in millions of dollars)

	1997	1998	1999	2000	2001	2002
DIRECT SPENDING						
Section 9401: Base Period Determination		-26	-28	-30	-31	-33
Section 9403: Special Distribution to States				-200	-208	-216

(By fiscal year in millions of dollars)

	1997	1998	1999	2000	2001	2002
Section 9404: Interest on Advances		-5	-5	-5	-5	-5
Sections 9405, 9406, and 9407: Exemption from FUTA coverage of Certain Workers		-3	-3	-3	-3	-3
Total Changes		-34	-36	-238	-247	-257
REVENUES						
Section 9401: Base Period Determination		0	-8	-30	-36	-37
Section 9403: Special Distribution to States				521	534	450
Sections 9405, 9406, and 9407: Exemption from FUTA coverage of Certain Workers			-3	-3	-3	-3
Total Changes			-11	488	495	410

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 prepared by: Federal Costs: Sheila Dacey, Kathy Ruffing, Christina Hawley Sadoti; Impact on State, Local, and Tribal Governments: Leo Lex and John Patterson; Impact on the Private Sector: Ralph Smith.

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]

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1998- 2002 Total	1998- 2007 Total
DIRECT SPENDING												
Subtitle A: temporary assistance for needy families block grant, welfare to work grants												
Budget Authority	750	1,250	1,000	0	0	0	0	0	0	0	3,000	3,000
Outlays	137	596	1,087	691	350	0	0	0	0	0	2,861	2,881
Subtitle B: supplemental security income, SSI												
Budget Authority	-35	-70	-80	-90	-105	-115	-130	-140	-155	-165	-380	-1,085
Outlays	-35	-70	-80	-90	-105	-115	-130	-140	-155	-165	-380	-1,085
Subtitle D: restricting welfare and public benefits for aliens												
SSI												
Budget Authority	1,900	1,650	1,525	1,150	1,175	1,150	1,025	950	725	525	7,400	11,775
Outlays	1,900	1,650	1,525	1,150	1,175	1,150	1,025	950	725	525	7,400	11,775
Medicaid												
Budget Authority	375	350	300	275	275	275	250	226	200	160	1,675	2,675
Outlays	375	350	300	275	275	275	250	226	200	150	1,575	2,675
Subtotal												
Budget Authority	2,275	2,000	1,825	1,425	1,450	1,425	1,275	1,175	925	675	8,975	14,450
Outlays	2,275	2,000	1,825	1,425	1,450	1,425	1,275	1,175	925	675	8,975	14,450
Subtitle E: unemployment compensation												
Budget Authority	-34	-36	-238	-247	-267	-367	-377	-388	-398	-410	-813	-2,752
Outlays	-34	-36	-238	-247	-267	-367	-377	-388	-398	-410	-813	-2,752
Total												
Budget Authority	2,956	3,144	2,507	1,088	1,088	943	768	647	372	100	10,782	13,613
Outlays	2,343	2,490	2,594	1,779	1,438	943	768	647	372	100	10,643	13,474
REVENUES												
SUBTITLE E: UNEMPLOYMENT COMPENSATION	0	-11	488	495	410	358	292	209	143	59	1,380	2,442

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(1)(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(1)(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(1)(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; [and]
- [(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.]
- (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.

(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 redetermine 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 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.*

* * * * *
(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.]

[(ii) 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)] (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)] (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 recertification, 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)(i) 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.]

(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.

(iii) Upon making a determination under clause [(ii)(IV)] (i)(X)(bb), the Secretary shall promulgate the determination in regulations, which may take into account the complexity of administering 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 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.

* * * * *

COMMITTEE ON WAYS AND MEANS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, June 13, 1997.

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 Resolution 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 language, estimates of the Congressional Budget Office and Joint Committee on Taxation and additional views. Under separate covers, 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 Congress.

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 achieves 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 prospective 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.

SUBTITLE D—ANTI-FRAUD AND ABUSE PROVISIONS AND
ADMINISTRATIVE EFFICIENCIES

Chapter 1.—Fraud and Abuse Related Provisions

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 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 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) *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) *FEEES 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 liveable 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 funds, 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 the of 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
With Respect to Human Resource Provisions**

Ed Staszak

Jim McCauley

Paul Kennell

Don Johnson

John Lewis

Mike Russert

Jerry Kezuka

Ben Cardin

Sander Levin

Alma P. Herbert

William J. Cuyler

Andrew Scheer

Pete Stark

Karen L. Thurman

Jim Thurman

James D. ...

John Spratt
6/23/97

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(f)(1)A) of the Social Security Act until it was repealed by the welfare reform law. We have also

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 in 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.

- (h) **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 bolted 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

44 - 1500

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."

PROVIDING FOR CONSIDERATION OF H.R. 2015, THE BALANCED BUDGET ACT AND H.R. 2014, THE TAXPAYER RELIEF ACT

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(1)(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.

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 McDermott/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—May; 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.

○

Ways and Means. After general debate the bill shall be considered for amendment under the five-minute rule. The amendment printed in the Congressional Record and numbered 2 pursuant to clause 6 of rule XXIII shall be considered as adopted in the House and in 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 only, I yield 30 minutes 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 structured rule for the consideration of a budget reconciliation bill. In this case, 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 entitlement reform bill, equally divided and controlled by the chairman and ranking member of the Committee on the Budget.

The rule also considers the amendment printed in the CONGRESSIONAL RECORD and numbered 1 as adopted upon the adoption of this rule. This amendment by the gentleman from Ohio [Mr. KASICH] reflects hours of negotiations between Democrats and Republicans and between the White House and this Congress, both bodies of this Congress.

This amendment attempts to resolve many of the outstanding issues related to our bipartisan efforts to reform the Nation's out-of-control entitlement

spending. And we all know that it is totally out of control.

The rule further waives all points of order against the provisions of the bill as amended by the rule. After the conclusion of the 3 hours of debate, the rule provides for one motion to recommit, with or without instructions.

Yesterday, we informed the minority members of the Committee on Rules that we were prepared to grant a rule allowing one Democrat substitute to be offered by the minority leader or his designee. However, we were informed yesterday that such a substitute would not be offered, even though we were willing to make that amendment in order.

□ 1145

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 against its provisions as amended by the 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] or his designee.

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 up in 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

PROVIDING FOR CONSIDERATION OF H.R. 2015, BALANCED BUDGET ACT OF 1997, AND H.R. 2014, TAXPAYER RELIEF ACT OF 1997

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 174 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 174

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House 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. 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.

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. 2014) to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill and against provisions in the bill, as amended by this resolution, are waived. General debate shall be confined to the bill and shall not exceed three hours equally divided and controlled by the chairman and ranking minority member of the Committee on the

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 16 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 1962, 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 1990, 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 Democrat 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, we abandoned it, and that is why the 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:

HOUSE RECONCILIATION RULES 1980-1996

Congress and year	Bill No.	Rule No.	Terms of rule
96th (1980)	H.R. 7765	H. Res. 776	10-hrs. general debate (1-hr. ea. To 8 comms., 2-hrs. Ways and Means); 4 amendments allowed: (1) Budget Comm.; (2) Strike subtitle; (3) Rep. Vanik (D); (4) Rep. Bauman (R); one motion to recommit.
97th (1981)	H.R. 3982	H. Res. 169	8-hrs. General debate, comms. of juris.; amendment in the nature of substitute by chairman of Budget Comm.; 6 amendments by Rep. Latta; 1-hr.; one motion to recommit.
98th (1983)	H.R. 4169	H. Res. 344	1-hr. gen. debate, Budget Comm.; amendment in nature of substitute made in 1 amendment by chmn. Budget Comm.; one motion to recommit, with or without instructions.
98th (1984)	H.R. 5394	H. Res. 483	6-hrs. gen. debate, Budget Comm.; (1) amend. by W&M Comm., 1-hr; (2) amend. by Rep. Pepper, 30-mins.; one motion to recommit.
99th (1985)	H.R. 3500	H. Res. 296	4-hrs. gen. debate, Budget Comm.; self-execute amend.; (1) Rep. Fazio, 30-mins.; Rep. Latta, 1-hr.; (3) Rep. Florio, 30-mins.; one motion to recommit.
99th (1986)	H.R. 5300	H. Res. 558	3-hrs. gen. debate, Budget Comm.; self-execute amend.; (1) Rep. Rodino, 30-mins.; (2) Rep. Rodino, 30-mins.; (3) Rep. Wyllie, 3-mins.; one motion to recommit without instructions.
100th (1987)	H.R. 3545	H. Res. 296/298	3-hrs. gen. debate, Budget Comm.; self-execute amend.; (1) Rep. Michel, 1-hr.; one motion to recommit without instructions.
101st (1989)	H.R. 3299	H. Res. 245/249	6-hrs. gen. debate, Budget Comm.; self-execute amend.; 10 amendments (D-7; R-3), debate from 30-mins. to 2-hrs. ea. (varies by amendment); one motion to recommit.
101st (1990)	H.R. 5835	H. Res. 509	3-hrs. gen. debate, Budget Comm.; self-execute amend.; (1) Rep. Rostenkowski, 1-hr.; one motion to recommit without instructions.
103d (1993)	H.R. 2264	H. Res. 186	2-hrs. gen. debate; self-execute amend. (54 page); (1) Rep. Kasich substitute, (290 pages), 1-hr.; one motion to recommit without instructions.
104th (1995)	H.R. 2491	H. Res. 245	3-hrs. gen. debate (via, u.c. request); an additional 3-hrs. gen. debate, Budget Committee; self execute amendment in the nature of a substitute; 1 substitute amendment if offered by the Minority Leader or his designee, debatable for 1 hour; one motion to recommit which may contain instructions if offered by the Minority Leader or his designee.
104th (1996)	H.R. 3734	H. Res. 482	2-hrs. gen. debate, Budget Comm.; self execute amendment in nature of substitute; 1 amendment if offered by the chairman of the Budget Committee or his designee, debatable for 20 minutes.; one motion to recommit, with or without instructions.

REPORT LAYOVER PERIOD FOR RECONCILIATION BILLS,
1980-1996

Congress and year	Bill no.	Report filed	Bill considered	Layover period (days)
96th (1980)	H.R. 7765	7/21/80	9/4/80	45
97th (1981)	H.R. 3982	6/19/81	6/25/81	6
98th (1983)	H.R. 4169	10/20/83	10/25/83	5
98th (1984)	H.R. 5394	(¹)	4/12/84	NA
99th (1985)	H.R. 3500	10/3/85	10/23/85	20
99th (1986)	H.R. 5300	7/31/86	8/24/86	24
100th (1987)	H.R. 3545	10/26/85	10/29/85	3
101st (1989)	H.R. 3299	9/20/89	9/26/89	6
101st (1990)	H.R. 5835	10/15/90	10/16/90	1
103rd (1993)	H.R. 2264	5/25/93	5/27/93	2
104th (1995)	H.R. 2491	10/17/95	10/25/95	8
104th (1996)	H.R. 3734	6/27/96	7/17/96	10

¹ Not reported.

Notes: The dates of bill consideration is the first day of consideration and is based on the date on which the rule was adopted. The layover period is based on the assumption that the report was available to Members on the first day after the report was filed (which may not always have been the case). Under clause 2(1)(6) of rule XI, it is in order to consider a bill on the third day the report is available to Members. All reconciliation rules, however, have routinely waived all points of order against consideration of the bill, even if the three-day availability requirement was complied with.

Sources: House Calendars.

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 less than \$58,000 a year.

The Republican tax 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 \$500 per child credit 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 education tax credits they promised or to preserve the rights of legal immigrants 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 know if 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 also keep it accessible 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 veterans health 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 peo-

ple 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 money and buy that stock and they have had it now for 35, 40 years. Do my colleagues know what that stock is worth today?

□ 1200

It is a nest egg that they can now retire on. They can, 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 at all. 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 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, and 6-years-old up to maybe 20 or 25, and now when they die the Federal Government is going to make them sell that land to pay the estate tax.

Mr. Speaker, that just is not right. As my colleagues know, they paid taxes on that land, they 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 in the north country where I 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 give meaningful 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 asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I thank the distinguished gentleman from New York [Mr. SOLOMON] for yielding this time to me, and 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 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 cutbacks 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 providing 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.

We are also providing overdue relief to families through the child tax credit and reform of the punitive death tax. I do not understand why we do not all understand that any American who works hard, saves little and wants to provide for his wife and his kids after he is gone, or his grandkids, should be able to do that. Why should the Government come in and take all of his hard work? After all I think what propels a great amount of the work in this

country is the responsibility individuals have to go to work and provide for their families.

As a father of four I certainly feel that way. I think most Americans do. I think I owe it to my family and to my community and to my country to look out for my family and provide for them. I do not go for this new mantra that Uncle Sam has been replaced by Father Government. Government is not my daddy, and it is not anyone else's either. I think we need to get away from that and remember that the people who work in this country work with the sense of responsibility to their family and should be able to provide for them after they are gone.

We will furnish responsible Americans with more ways to save for their future by expanding IRA's, and we will promote economic growth by slicing the punitive capital gains tax.

But most important, today we will send a message to our children and our grandchildren that their future is not going to be mortgaged for Washington's profligate spending habits, and we all know what they are. The last time this Congress balanced the budget our national debt stood at \$368 billion, and \$368 billion is a lot of money. Today that national debt is at \$54 trillion, trillion, and it is still climbing. With this package Congress has finally acknowledged what most American have known for a very, very long time: Uncle Sam is obese, Uncle Sam needs a diet, and it is time.

Mr. Speaker, today is about historic progress; slow and steady, yes, but it is progress. This package is not perfect, but it is very good work, and it is bipartisan, and it is multibranch. And, yes, there is more to do, and there always will be if we are going to have jobs up here in Washington representing the people of this country, and that is the form of Government we have.

But above all this package represents a hard-earned victory, I think, for the American taxpayer, the middle-income earner, the hard worker, the people out there worrying about the future of their families and their kids. And I think it is a victory for our kids, too, because we are going to rein in taxing and not send the bill to them any more.

I very passionately urge for a "yes" vote on this rule and for the important reconciliation bills that it carries. This is the work we are about; this is what we are asked to do.

Mr. MOAKLEY. 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 not fair to working 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.

The SPEAKER pro tempore. The gentleman from New York [Mr. SOLOMON] has 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's, 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 of California asked and was given permission to revise and extend his remarks.)

Mr. MILLER of California. 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 now see 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 renegeing 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 and we could take care of 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 before 1986, would pay no taxes. They want 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 insurance until she is 67 years old. The bill before us today does not live up to the promise of expanding health care insurance to 5 billion of the 10 billion uninsured children in the United States. The way the Republicans have structured the bill, the child health block grant, there is no guarantee that even one additional child will have health insurance coverage.

The Medicaid cuts in this bill threaten children's hospitals and other safety net health care providers. Why would we target children's hospitals and county hospitals caring for the uninsured as a place to make an enormous spending cut to fund the tax breaks for the wealthy? Forcing public hospitals to close their doors will further reduce access to care, particularly for uninsured children. When we combine these changes with provisions in the bill to exempt even more health care plans from State consumer guidelines, we have a total package that weakens access to quality health care insurance for all Americans.

The American people do not again want us moving backward on access to health care.

Again, the Republican bill does not deliver on the promise of health insur-

ance for uninsured children. Indeed, the Republican bill violates the goals of the budget agreement. On that basis alone we should reject the rule and kill the bill.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. LEVIN].

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, we are going to debate the tax bill tomorrow, and we will show how their bill on the majority side would blow a hole in the budget, and we will show how they are using phony figures. But today we are debating the spending resolution.

I voted for the budget resolution. Trouble with this spending resolution is it violates the budget agreement, purely and simply. It does so on legal immigrants. It draws an irrational and inhumane line, contrary to what they agreed to. It also goes beyond the budget agreement, and it withdraws from people moving from welfare to work the protections of the Fair Labor Standards Act. All they put back is a minimum wage standard, but there is no Federal protection to be sure that that is paid, and they do not provide against sexual harassment and employment discrimination.

Mr. Speaker, second class citizenship is not the answer for people moving from welfare to work.

We ask the Committee on Rules to grant us amendments to cure these, they turned us down. We should turn 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's 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.

□ 1215

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 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 agreed that 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 number 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. VISCLOSKEY] 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 just want to make this understanding clear, 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 expeditious 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

the other side of the aisle requesting the same thing. We did not allow them, as we did not allow the gentleman.

So the gentleman is being very reasonable and I appreciate it, and we are committed to bringing this to the floor by July 24.

Mr. BARTON of Texas. Mr. Speaker, I want to express my commitment to the chairman of the Committee on Rules that I will vote for this rule and I will encourage all of the Republican Members who I have been discussing this issue with to also vote for the rule, so that we can bring this reconciliation package to the floor.

Mr. SOLOMON. Mr. Speaker, I certainly thank the gentleman for being so reasonable.

Mr. CASTLE. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. 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.

It has always been 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 in terms of 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 follow through on it, and 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.

I think that is important for the people to know, and people who have suspicion about this budget agreement can know that we are working to improve it before we finally report it out.

I thank the gentleman for yielding.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for his comments.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

I would like to tell the gentleman from Texas [Mr. BARTON] that we thought his amendment was a great one and we brought it forward for a vote, but we were outvoted. We have another chance, because if we defeat the previous question, we are going to put the Barton amendment in. So the gentleman still has a chance to get his amendment passed.

Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. BENTSEN].

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Speaker, I voted for this budget agreement and a number of Members from 13 of the 50 States voted for this budget agreement, but I do not think they voted to agree that their States would be cut disproportionately under the Medicaid program, under the Disproportionate Share Program that is in this bill.

This bill before us today, the spending bill, will treat States like Texas, Colorado, Connecticut, Louisiana, Tennessee, that the gentleman just spoke from, and several others twice as badly as all the other States and 100 times as badly as some of the other States.

This bill says that those 13 States will have their disproportionate share of funding cut by 40 percent by the year 2002. That is not the budget agreement that this Member voted for and I do not see how any Member from any of those States could vote for this rule.

Now, if we defeat the previous question, included in the amendments that the gentleman from Massachusetts intends to offer is to correct this. We are not talking about dollars, we are talking about equity among the States.

Mr. SOLOMON. Mr. Speaker, I yield 2½ minutes to the gentleman from Ohio [Mr. KASICH], the distinguished chairman of the Committee on the Budget.

Mr. KASICH. Mr. Speaker, let me just suggest that everybody in the House is concerned about the formula whereby we help those hospitals that have a disproportionate share of poor people who they attend to. It is interesting to note that Texas is one of the largest recipients of DSH money and they have a concern about how this agreement is going to affect them, based on the formula that distributes this money.

I have a concern about it not only as it applies to the State of Texas, but to the State of Ohio, to the State of New Jersey and the State of New York and every State in the country. Writing a

formula that affects the DSH payments, the disproportionate share of payments, is going to be like, well, it will be a rougher fight than Tyson-Holyfield this weekend.

The fact is that in the conference committee we are going to have to create a new formula. We cannot write a formula on the House floor. We should not even try to write a formula on the House floor. We should not want to write a formula on the House floor.

What we should do, if I could be so presumptuous to give this advice, is to indicate the fact that we do not have it right yet and that we should go to the conference committee and we ought to get it right, as right as we can. I can promise my colleagues, it is just like reform of the IRS or the tax system, at the end of the day, nobody is going to be happy with the way we pay taxes, and at the end of the day, no one is going to be happy with the way in which we distribute money to help hospitals pay for the poor. But what we do intend to do is to get it as right as human beings can, representing 50 States around the country.

So the point is, I feel your pain when it comes to my colleagues' concern about DSH payments. So the fact is, let us not try to say that we are trying to shut somebody off or having a formula debate on the House floor. We cannot fix it here. It would not be right to fix it here. We would not get it right here and we would end up hurting poor people in the final analysis.

So let us just stay cool, let us adopt the rule, let us make an effort to get the formula fixed in conference, and I am willing to work with all of the Members of the House to participate to come up with something that is as fair and equitable as we can among the 50 States.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. VISCLOSKEY].

Mr. VISCLOSKEY. Mr. Speaker, I thank the gentleman for yielding me this time.

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, the gentleman from Texas [Mr. BARTON] and the gentleman from Minnesota [Mr. MINGE]. The Barton-Minge 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.

Enforcement is important. The lessons of previous budget resolutions is that agreeing to a balanced budget does not guarantee it will be. No fewer than four times over the last 15 years Congress and Presidents have approved budget-balancing amendments, but they have not led to a balanced budget because they were not enforceable.

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 appeared 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.

Leading 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 en-

forcement 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 wreckonconciliation because it wrecks this budget 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 really 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 that young 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.

□ 1230

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 young 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.

Our 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 vote against the rule. 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 strong budget 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. We need only look to the experience of the 1990 budget summit to be reminded 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 over the next 5 years meet 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 effects of triggering sequestration 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 immediately when 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; and spending 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 proposal 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. VISCLOSKEY] 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 warrants a "no" vote, 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 when 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 asked and was given permission to revise and extend his remarks.)

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-executed in this rule.

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 participants in workfare 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 to 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 op-

portunity came before them to bring this measure to the House floor so we could restore that, so we could give the only people in America who were promised free health care for life, to fulfill that promise for them, those people voted against it.

They will not give the majority the chance to vote for it, to take care of our military retirees, the same 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, we really do.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California [Mrs. 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 this historic 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

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, offered several amendments 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. JOHN].

Mr. JOHN. 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 will support 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 colloquy 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. It is not the deal made with the American people.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. BOYD].

□ 1245

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 necessary 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 this U.S. 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 in 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 amendment by the gentlewomen from Florida, Mrs. MEEK and Ms. ROS-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 gives guaranteed 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 tools 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 time.

It combines budget restraint with progrowth 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 high 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, this 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 this 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 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 gets to conference, your ability to have quality medical care determining your discharge based on what is best for your health is going to be eliminated in conference. That is the plan.

So, America, wake up; this bill determines your health care and your quality not by your physician but 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?

Mr. COBURN. Mr. Speaker, I am not voting for this rule.

Mr. MOAKLEY. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I yield the balance of my time to the gentlewoman from Connecticut [Ms. DELAURO].

The SPEAKER pro tempore. The gentlewoman from Connecticut [Ms. DELAURO] is recognized for 2 minutes.

Ms. DELAURO. Mr. Speaker, I rise today to urge my colleagues to vote against this rule. This bill breaks the balanced budget agreement and it hurts average middle-class families in this country. I voted for the balanced budget agreement. This is not the bill that I voted for. I did not vote for a bill that hurts the middle class by denying working families help in providing health coverage for their kids. I did not vote for a bill that refuses to provide important basic worker protections in this country, protections like family and medical leave and protection against sexual harassment. I did not vote for a bill that hurts children's hospitals in my State. I did not vote for a bill that infringes on a woman's right to choose and I did not vote for a bill that does not promise to protect legal immigrants in this country.

Today's Republican bill violates the budget agreement that was so carefully put together and so hard that we worked on. And it shortchanges middle-class American families so that tomorrow's Republican tax cut bill will be able to provide the richest 5 percent of Americans in this country with the biggest tax cuts in the bill. It is wrong. Working families are scrambling every single day, every day to pay their bills, to be able to send their kids to school, to protect themselves for a secure retirement and be able to have affordable health care coverage. The bill that we will vote for today will deny those protections to people. We should vote against this rule and tomorrow we should vote against the Republican tax cut bill. I urge a "no" vote on the rule.

Mr. MOAKLEY. Mr. Speaker, I include the following information for the RECORD:

TEXT OF PREVIOUS QUESTION AMENDMENT TO H. RES. 174, FY 98 BUDGET RECONCILIATION AND TAX BILLS

At the end of the resolution add the following new section:

"Section 3. Notwithstanding any other provision of this resolution, it shall be in order without intervention of any point of order to consider the following amendments:

The amendment offered by Representative Ros-Lehtinen and Representative Meek or their designee.

The amendment offered by Representative Brown of Ohio or his designee.

The amendment offered by Representative Brown of Ohio or his designee.

The amendment offered by Representative Brown of Ohio or his designee.

The amendment offered by Representative Gekas and Representative Frost or their designee.

The amendment offered by Representative Barton and Representative Minge, or their designee.

The amendment offered by Representative Taylor of Mississippi or his designee.

The amendment offered by Representative Kennedy of Massachusetts or his designee.

The amendment offered by Representative McDermott and Representative Matsui or their designee.

The amendment offered by Representative McDermott or his designee.

The amendment offered by Representative Hinchey or his designee.

The amendment offered by Representative Peterson of Minnesota or his designee.

The amendment offered by Representative Nadler or his designee.

The amendment offered by Representative Nadler, Representative Maloney, and Representative Schumer or their designee.

The amendment offered by Representative Levin or his designee.

The amendment offered by Representative Levin or his designee.

The amendment offered by Representative Levin or his designee.

The amendment offered by Representative Conyers or his designee.

The amendment offered by Representative Conyers or his designee.

The amendment offered by Representative Roukema and Representative Pomeroy or their designee.

The amendment offered by Representative Pallone or his designee.

The amendment offered by Representative Davis and Representative Norton or their designee.

The amendment offered by Representative Berman or his designee.

The amendment offered by Representative Thurman or his designee.

The amendment offered by Representative Becerra or his designee.

The amendment offered by Representative Eshoo and Representative Pallone or their designee.

The amendment offered by Representative Bentsen or his designee.

AMENDMENTS TO H.R. 2015: BUDGET
RECONCILIATION SPENDING ACT

AMENDMENT TO THE RECONCILIATION BILL, AS APPROVED BY THE COMMITTEE ON WAYS AND MEANS ON JUNE 10, 1997, OFFERED BY MRS. MEEK AND MS. ROS-LEHTINEN

In section 9302 strike subsection (a) and insert the following:

(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) 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 providing to qualified aliens (as defined in section 431 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 such Act; and
(II) \$2,300,000,000 for fiscal year 1998, \$2,100,000,000 for fiscal year 1999, \$1,800,000,000 for fiscal year 2000, \$1,400,000,000 for fiscal year 2001, and \$1,500,000,000 for fiscal year 2002; and

(ii) collect from each State (other than the Commonwealth of Puerto Rico, the Virgin Islands, or Guam) an amount equal to—

(I) the ratio of the number of all persons in the State receiving supplemental security income benefits under title XVI of the Social Security Act to the number of all persons in the United States receiving such benefits; multiplied by

(II) the difference estimated under clause (i).

(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 AMOUNTS 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 established 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 6, strike “500,000” 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 screening mammography (as defined in section 1861(jj)), 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”.

Page 133, after line 8, 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 screening pap smear and screening pelvic exam (as defined in section 1861(nn)), the amount paid shall be 100 percent of the fee schedule amount provided under section 1848”.

Page 133, line 15, 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”.

Page 134, after line 14, 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 prostate cancer screening tests (as defined in section 1861(oo)), the amount paid shall be 100 percent of the fee schedule amount provided under section 1848”.

Page 134, line 31, before the period insert the following:

“, except that the amendments made by subsection (e) shall apply to items and services furnished on or after January 1, 2000”.

Page 140, after line 33, insert the following new subsection (and redesignate the succeeding subsections accordingly):

(e) 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 colorectal cancer screening test (as defined in section 1861(pp)), the amount paid shall be 100 percent of the fee schedule amount provided under section 1848”.

Page 141, line 26, 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”.

Page 143, strike lines 24 through 30.

Page 145, after line 22, insert the following new subsection (and redesignate the succeeding subsection 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(rr)), the amount paid shall be 100 percent of the fee schedule amount provided under section 1848”.

Page 141, line 26, 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 MEDICAID ELIGIBILITY FOR DISABLED CHILDREN WHO LOSE SSI BENEFITS

(a) IN GENERAL.—Section 1902(a)(10)(A)(i)(II) (42 U.S.C. 1396(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 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:

“(3) Other methods specified under the plan other than direct purchase of services from providers.

AMENDMENT TO H.R. —, AS REPORTED, OFFERED BY MR. GEKAS OF PENNSYLVANIA AND MR. FROST OF TEXAS

Insert after section 966 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:

“(g) EXCEPTION FOR CERTAIN AMOUNTS PAID TO ELECTION OFFICIALS AND ELECTION WORKERS.—Notwithstanding any other provision of this title, the Secretary may not 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 3121(b)(F)(iv)) if it is reasonable to believe that such remuneration is not subject to tax under chapter 21 (relating to Federal Insurance Contributions Act).”

(b) 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. MINCE

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”.

(b) TABLE OF CONTENTS.—

TITLE XI—BUDGET PROCESS ENFORCEMENT

Sec. 11001. Short title and table of contents.
 Sec. 11002. Definitions.

Subtitle A—Ensure That the Bipartisan Balanced Budget Agreement of 1997 Achieves Its Goal

Sec. 11101. Timetable.
 Sec. 11102. Procedures to avoid sequestration or delay of new revenue reductions.
 Sec. 11103. Effect on Presidents' budget submissions; point of order.
 Sec. 11104. Deficit and revenue targets.
 Sec. 11105. Direct spending caps.
 Sec. 11106. Economic assumptions.
 Sec. 11107. Revisions to deficit and revenue targets and to the caps for entitlements and other mandatory spending.

Subtitle B—Enforcement Provisions

Sec. 11201. Reporting excess spending.
 Sec. 11202. Enforcing direct spending caps.
 Sec. 11203. Sequestration rules.
 Sec. 11204. Enforcing revenue targets.
 Sec. 11205. Exempt programs and activities.
 Sec. 11206. Special rules.
 Sec. 11207. The current law baseline.
 Sec. 11208. Limitations on emergency spending.

SEC. 11002. 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 AND SEQUESTRATION.—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 cap for that year.

(4) BASELINE.—The term "baseline" means the projection (described in section 11207) of current levels of new budget authority, outlays, receipts, and the surplus or deficit into the budget year and the outyears.

(5) BUDGETARY RESOURCES.—The term "budgetary resources" means new budget authority, unobligated balances, direct spending authority, and obligation limitations.

(6) DISCRETIONARY APPROPRIATIONS.—The term "discretionary appropriations" means budgetary resources (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. Classifications of new accounts or activities and changes in classifications shall be made in consultation with the Committees on Appropriations and the Budget of the House of Representatives and the Senate and with CBO and OMB.

(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) 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) 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 advance by appropriation Acts, 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 with a budget submission under section 1105(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 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	CBO economic and budget update.
First Monday in February.	President's budget update based on new assumptions.
August 1	CBO and OMB updates.
August 15	Preview report.
Not later than November 1 (and as soon as practical after the end of the fiscal).	OMB and CBO Analyses of Deficits, Revenues and Spending Levels and Projections for the Upcoming Year.
November 1-December 15	Congressional action to avoid sequestration.
December 15	OMB issues final (look back) report for prior year and preview for current year.

On or before:	Action to be completed:
December 15	Presidential sequester order or order delaying new/additional revenues reductions scheduled to take effect pursuant to reconciliation legislation enacted in calendar year 1997.

SEC. 11102. 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 11104;

(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 revenue targets in section 11104; or

(3) outlays in the most recently completed fiscal year exceeded, or outlays in the current year are projected to exceed, the caps in section 11104;

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 or revenue targets or the outlay caps contained in this Act;

through any combination of—

(i) reductions in outlays;

(ii) increases in revenues; or

(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 or the Senate by the chairman 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 that House 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, or different policies and proposed legislative changes than those contained in the message of the President, to ameliorate or eliminate any excess deficits or expenditures or any revenue shortfalls, or

(2) any changes to the deficit or revenue targets or expenditure caps contained in this Act, except that any changes to the deficit or revenue targets or expenditure caps cannot be greater than the changes recommended in the message submitted by the President.

(d) PROCEDURE IF THE COMMITTEES ON THE BUDGET OF THE HOUSE OF REPRESENTATIVES OR SENATE FAILS TO REPORT REQUIRED RESOLUTION.—

(1) AUTOMATIC DISCHARGE OF COMMITTEES ON THE BUDGET OF THE HOUSE.—If the Committee on the Budget of the House of Representatives fails, by November 20, to report a resolution meeting the requirements of subsection (c), the committee shall be automatically discharged from further consideration of the joint resolution reflecting the President's recommendations introduced pursuant

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 consider any amendment to the resolution except amendments which are germane and which do not change the net deficit impact of the resolution.

(e) **CONSIDERATION OF JOINT RESOLUTION 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).

(f) **TRANSMITTAL TO SENATE.**—If a joint resolution passes the House of Representatives pursuant to subsection (e), 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. The resolution shall be referred to the Senate Committee on the Budget.

(g) **REQUIREMENTS FOR SPECIAL JOINT RESOLUTION IN THE SENATE.**—The Committee on the Budget of the Senate shall report not later than December 1—

(1) a joint resolution reflecting the message of the President; or

(2) the joint resolution passed by the House of Representatives, with or without amendment; or

(3) a joint resolution containing different policies and proposed legislative changes than those contained in either the message of the President or the resolution passed by the House of Representatives, to eliminate all or part of any excess deficits or expenditures or any revenue shortfalls, or

(4) any changes to the deficit or revenue targets, or to the expenditure caps, contained in this Act, except that any changes to the deficit or revenue targets or expenditure caps cannot be greater than the changes recommended in the message submitted by the President.

(h) **PROCEDURE IF THE SENATE BUDGET COMMITTEE FAILS TO REPORT REQUIRED RESOLUTION.**—

(1) **AUTOMATIC DISCHARGE OF SENATE BUDGET COMMITTEE.**—In the event that the Committee on the Budget of the Senate fails, by December 1, to report a resolution meeting the requirements of subsection (g), the committee shall be automatically discharged from further consideration of the joint resolution reflecting the President's recommendations introduced pursuant to subsection (a) and of the resolution passed by the House of Representatives, and both joint resolutions shall be placed on the appropriate calendar.

(2) **CONSIDERATION OF DISCHARGE RESOLUTION IN THE SENATE.**—(A) If the Committee has been discharged under paragraph (1), any member may move that the Senate consider the resolution. Such motion shall be highly privileged and not debatable. It shall not be in order to consider any amendment to the resolution except amendments which are germane and which do not change the net deficit impact of the resolution.

(B) Consideration of resolutions reported pursuant to subsections (c) or (d) shall be pursuant to the procedures set forth in section 305 of the Congressional Budget Act of 1974 and subsection (d).

(C) If the joint resolution reported by the Committees on the Budget pursuant to subsection (c) or (g) or a joint resolution discharged in the House of Representatives or the Senate pursuant to subsection (d)(1) or (h)(1) would eliminate less than—

(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;

then the Committee on the Budget of the Senate shall report a joint resolution, raising the deficit targets or outlay caps, or reducing the revenue targets for any year in which actual or projected spending, revenues or deficits would not conform to the deficit and revenue targets or expenditure caps in this Act.

(k) **CONFERENCE REPORTS SHALL FULLY ADDRESS 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 to eliminate all or part of 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; or

(2) the House of Representatives and Senate both pass the joint resolution reported pursuant to subsection (j)(2).

The vote on any resolution reported pursuant to subsection (j)(2) shall be solely on the subject of changing the deficit or revenue targets or the expenditure limits in this Act.

SEC. 11103. EFFECT ON PRESIDENTS' 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 on the budget unless it is consistent with the spending, revenue, and deficit levels established in sections 11104 and 11105.

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, \$53,300,000,000; and
- (5) for fiscal year 2002, there shall be a surplus 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—

- (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.

SEC. 11105. DIRECT SPENDING CAPS.

(a) **IN GENERAL.**—Effective upon submission of the report by OMB pursuant to subsection (c), direct spending caps shall apply to all entitlement authority except for undistributed offsetting receipts and net interest outlays. For purposes of enforcing direct spending caps under this Act, each separate program shown in the table set forth in subsection (d) shall be deemed to be a category.

(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 identical reports containing account numbers and spending levels for each specific category.

(c) **REPORT BY OMB.**—Within 30 days after enactment of this Act, OMB shall submit to

the President and each House of Congress a report containing account numbers and spending limits for each specific category.

(d) **CONTENTS OF REPORTS.**—All direct spending accounts not included in these reports under separate categories shall be included under the heading "Other Entitlements and Mandatory Spending". These reports may include adjustments among the caps set forth in this Act as required below, however the aggregate amount available under the "Total Entitlements and Other Mandatory Spending" cap shall be identical in each such report and in this Act and shall be deemed to have been adopted as part of this Act. Each such report shall include the actual amounts of the caps for each year of fiscal years 1998 through 2002 consistent with the concurrent resolution on the budget for FY 1998 for each of the following categories:

Earned Income Tax Credit,
Family Support,
Federal retirement:
Civilian/other,
Military,
Medicaid,
Medicare,
Social security,
Supplemental security income,
Unemployment compensation,
Veterans' benefits,
Medicare,
Other entitlements and mandatory spending, and
Aggregate entitlements and other mandatory spending.

(e) **ADDITIONAL SPENDING LIMITS.**—Legislation enacted subsequent to this Act may include additional caps to limit spending for specific programs, activities, or accounts with these categories. Those additional caps (if any) shall be enforced in the same manner as the limits set forth in such joint explanatory statement.

SEC. 11106. ECONOMIC ASSUMPTIONS.

Subject to periodic reestimation based on changed economic conditions or changes in eligible population, 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. 11107. REVISIONS TO DEFICIT AND REVENUE TARGETS AND TO THE CAPS FOR ENTITLEMENTS AND OTHER MANDATORY SPENDING.

(a) **AUTOMATIC ADJUSTMENTS TO DEFICIT AND REVENUE TARGETS AND TO CAPS FOR ENTITLEMENTS AND OTHER MANDATORY SPENDING.**—When the President submits the budget under section 1105(a) of title 31, United States Code, for any year, OMB shall calculate (in the order set forth below), and the budget and reports shall include, adjustments to the deficit and revenue targets, and to the direct spending caps (and those limits as cumulatively adjusted) for the current year, the budget year, and each outyear, to reflect the following:

(1) **CHANGES TO REVENUE TARGETS.**—

(A) **CHANGES IN GROWTH.**—For Federal revenues and deficits 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.

(B) **CHANGES IN INFLATION.**—For Federal revenues and deficits under laws and policies enacted or effective before July 1, 1997, inflation 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.

(2) ADJUSTMENTS TO DIRECT SPENDING CAPS.—

(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 minus those levels 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 the level of year-over-year inflation measured for the fiscal year most recently completed and the applicable estimated level for that year as described in section 11105 (relating to economic assumptions). For direct spending under laws and policies enacted or effective after July 1, 1997, there shall be no adjustment to the direct spending caps (for changes in economic conditions including inflation, nor for changes in numbers of eligible beneficiaries) unless—

(i) the Act or the joint explanatory statement of managers accompanying such Act providing new direct spending includes economic projections and projections of numbers of beneficiaries; and

(ii) such Act specifically provides for automatic adjustments to the direct spending caps in section 11105 based on those projections.

(D) CHANGES IN ELIGIBLE POPULATIONS.—For direct spending under laws and policies enacted or effective on or before July 1, 1997, the basis for adjustments under this section shall be the same as the projections underlying Table A-4, CBO Baseline Projections of Mandatory Spending, Including Deposit Insurance (by fiscal year, in billions of dollars), published in An Analysis of the President's Budgetary Proposals for Fiscal Year 1998, March 1997, page 53. For direct spending under laws and policies enacted or effective after July 1, 1997, there shall be no adjustment to the direct spending caps for changes in numbers of eligible beneficiaries unless—

(i) the Act or the joint explanatory statement of managers accompanying such Act providing new direct spending includes economic projections and projections of numbers of beneficiaries; and

(ii) such Act specifically provides for automatic adjustments to the direct spending caps in section 11105 based on those projections.

(E) INTRA-BUDGETARY PAYMENTS.—From discretionary accounts to mandatory accounts. The baseline and the discretionary spending caps shall be adjusted to reflect those changes.

(c) CHANGES TO DEFICIT TARGETS.—The deficit targets in section 11104 shall be adjusted to reflect changes to the revenue targets or changes to the caps for entitlements and other mandatory spending pursuant to subsection (a).

(d) 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. This subsection may be waived in the Senate only by an affirmative vote of three-fifths of the Members duly chosen and sworn.

Subtitle B—Enforcement Provisions

SEC. 11201. REPORTING EXCESS 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), 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 revenue targets or 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 include:

(1) 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 for the current year and estimated actual spending for the categories associated with such caps.

(3) The amounts by which direct spending shall be reduced in the current 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 fiscal years.

(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 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 sequestrable budgetary resources in that account at that 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 sequestration shall apply to all programs, projects and activities within a budget account.

(3) INDEFINITE 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 succeeding fiscal years are reduced, from the level that would actually have occurred, by the applicable sequestration percentage or percentages.

(4) CANCELLATION OF BUDGETARY RESOURCES.—Budgetary resources sequestered from any account other than a trust, special or revolving fund shall revert to the Treasury and be permanently canceled.

(5) IMPLEMENTING REGULATIONS.—Notwithstanding any other provision of law, administrative rules or similar actions implementing any sequestration shall take effect within 30 days after that sequestration.

SEC. 11203. SEQUESTRATION RULES.

(a) GENERAL RULES.—For programs subject to direct spending caps:

(1) TRIGGERING OF SEQUESTRATION.—Sequestration is triggered if total direct spending subject to the caps exceeds or is projected to exceed the aggregate cap for direct spending for the current or immediately preceding fiscal year.

(2) 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.

(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 sequestrable base for direct spending programs and activities is the total level of outlays for the fiscal year for those programs or activities in the current law baseline.

(4) 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 spending 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.

(5) SPECIAL RULE.—For any direct spending program in which—

(A) outlays pay for entitlement benefits;

(B) a current-year sequestration takes effect after the 1st day of the budget year;

(C) that delay reduces the amount of entitlement authority that is subject to sequestration in the budget; and

(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.

(6) INDEXED BENEFIT PAYMENTS.—If, under any entitlement program—

(A) benefit payments are made to persons or governments more frequently than once a year; and

(B) the amount of entitlement authority is periodically adjusted under existing law to reflect changes in a price index (commonly called "cost of living adjustments");

sequestration shall first be applied to the cost of living adjustment before reductions are made to the base benefit. For the first fiscal year to which a sequestration applies, the benefit payment reductions in such programs accomplished by the order shall take effect starting with the payment made at the beginning of January following a final sequester. For the purposes of this subsection, veterans' compensation shall be considered a program that meets the conditions of the preceding sentence.

(7) 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 sequestrable base shall be total fees associated with all loans made 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.

Notwithstanding any other provision of law, 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.

(8) **INSURANCE PROGRAMS.**—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 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, subsequent 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 all States 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, sequestration shall first be applied to the estimated increases before reductions are made compared to actual payments to States in the previous year—

(i) the reductions shall be applied first to the total estimated increases for all States; then

(ii) the uniform reduction shall be made from each State's grant; and

(iii) the uniform reduction shall apply to the base funding levels 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.**—Except matters exempted under section 11204 and programs subject to special rules set forth under section 11205 and notwithstanding any other provisions of law, any sequestration 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 reduction in the monetary value of benefits subject to reduction under this subsection.

(b) **WITHIN-SESSION SEQUESTER.**—If a bill or resolution providing direct spending for the current year is enacted before July 1 of that fiscal year and causes a breach within any direct spending cap for that fiscal year, 15 days later there shall be a sequestration to eliminate that breach within that cap.

SEC. 11204. ENFORCING REVENUE TARGETS.

(a) **PURPOSE.**—This section enforces the revenue targets established pursuant to section 11104. This section shall apply for any year in which actual revenues were less than the applicable revenue target in the preceding fiscal year or are projected to be less than the applicable revenue target in the current year.

(b) **ESTIMATE OF NECESSITY TO SUSPEND NEW REVENUE REDUCTIONS.**—Based on the statement provided under section 11201(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 lower than the applicable revenue target in section 11104, as adjusted pursuant to section 11106, by more than 1 percent of the applicable total revenue target for such year. The report shall include—

(1) all laws and policies described in subsection (c) which would cause revenues to decline in the calendar year which begins January 1 compared to the provisions of law in effect on December 15;

(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 1997 would (but for this section) first take effect in a tax benefit suspension year, such provision shall not take effect until the first calendar year which is not a tax benefit suspension year.

(d) **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 year will equal or exceed the applicable targets the President shall sign an order ending the delayed phase-in of new tax cuts effective January 1. Such order shall provide that the new tax cuts shall take effect as if the provisions of this section had not taken effect.

(e) **SUSPENSION OF BENEFITS BEING PHASED IN.**—If, under any provision of the Internal Revenue Code of 1986, there is an increase in any benefit which would (but for this section) take effect with respect to a tax benefit suspension year, in lieu of applying subsection (c)—

(1) any increase in the benefit under such section with respect to such year and each subsequent calendar year shall be delayed 1 calendar year, and

(2) the level of benefit under such section with respect to the prior calendar year shall apply to such tax benefit suspension year.

(f) **PERCENTAGE SUSPENSION WHERE FULL SUSPENSION UNNECESSARY TO ACHIEVE REVENUE TARGET.**—If the application of subsections (c), (d), and (e) to any tax benefit suspension year would (but for this subsection) cause revenues to decline in the calendar year which begins January 1 compared to the provisions of law in effect on December 15; subsections (c) (d) and (e) shall be applied such that the amount of each benefit which is denied is only the percentage of such benefit which is necessary to result in revenues equal to such target. Such percentage shall be determined by OMB, and the same percentage shall apply to such benefits.

(g) **TAX BENEFIT SUSPENSION YEAR.**—For purposes of this section, the term "tax benefit suspension year" means any calendar year if the statement issued under subsection (b) during the preceding calendar year indicates that—

(1) for the fiscal year ending in such preceding calendar year, actual revenues were 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

(2) for the fiscal year beginning in such preceding calendar year, projected revenues (determined without regard to this section) are estimated 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.

SEC. 11205. 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 or other receipts or collections properly creditable to those 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 private 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;

(D) the Federal Reserve System; and

(E) appropriations for the District of Columbia to the extent they are appropriations of locally raised funds;

(8) 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—

Bureau of Indian Affairs, miscellaneous trust funds, tribal trust funds (14-9973-0-7-999);

Claims, defense;

Claims, judgments and relief act (20-1895-0-1-806);

Compact of Free Association, economic assistance pursuant to Public Law 99-658 (14-0415-0-1-806);

Compensation of the President (11-0001-0-1-802);

Customs Service, miscellaneous permanent appropriations (20-9992-0-2-852);

Eastern Indian land claims settlement fund (14-2202-0-1-806);

Farm Credit System Financial Assistance Corporation, interest payments (20-1850-0-1-351);

Internal Revenue collections of Puerto Rico (20-5737-0-2-852);

Payments of Vietnam and USS Pueblo prisoner-of-war claims (15-0104-0-1-153);

Payments to copyright owners (03-5175-0-2-376);

Salaries of Article III judges (not including cost of living adjustments);

Soldier's and Airman's Home, payment of claims (84-8930-0-7-705);

Washington Metropolitan Area Transit Authority, interest payments (46-0300-0-1-401);

(10) the following noncredit special, revolving, or trust-revolving funds—

Exchange Stabilization Fund (20-4444-0-3-155); and

Foreign Military Sales trust fund (11-82232-0-7-155).

(j) **OPTIONAL EXEMPTION OF MILITARY PERSONNEL.**—

(1) The President may, with respect to any military personnel account, exempt that account from sequestration or provide for a

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 full amount of any required reduction in payments under sections 455 and 458 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 455(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 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 with 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.

(2) **DAIRY PROGRAM.**—

(A) 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 in the United States and marketed by producers for commercial use.

(B) That price reduction (measured in cents per hundred-weight of milk marketed) shall occur under subparagraph (A) of section 201(d)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(2)(A)), shall begin on 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.

(3) **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).

(4) **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.

(c) **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 entire 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.

(d) **REGULAR AND EXTENDED UNEMPLOYMENT COMPENSATION.**—

(1) A State may reduce each weekly benefit payment made under the regular and extended unemployment benefit programs for any 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 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 3304(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 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 outlays resulting from claims paid after the sequestration order takes effect.

(f) **FEDERAL HOUSING FINANCE BOARD.**—Any sequestration of the Federal Housing 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 amounts equal to the uniform sequestration percentage for that year times the gross obligations of the Board in that year.

(g) **FEDERAL PAY.**—

(1) **IN GENERAL.**—New budget authority to pay Federal personnel from direct spending accounts 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 rate of pay to which any individual is entitled under any statutory pay system (as increased by any amount payable under section 5304 of title 5, United States Code, or any increase in rates of pay 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 pay system" shall have the meaning given that term in section 5302(1) of title 5, United States Code;

term "elements of military pay" means—

(i) the elements of compensation of members of the uniformed services specified in section 1009 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) cadet pay and midshipman pay under section 203(c) of such title; and

(B) the term "uniformed services" shall have the same meaning given that term in section 101(3) of title 37, United States Code.

(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 for services furnished after 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 considered to be furnished on the date of the individual's discharge from the inpatient facility.

(B) **PAYMENT ON THE BASIS OF COST REPORTING PERIODS.**—In the case in which payment 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 for the services during a cost reporting period of the provider, if a reduction is made in payment amounts pursuant to a sequestration order, the reduction shall be applied to payment for costs for such services 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 each such cost reporting period) in the same proportion as the fraction of the cost reporting period that occurs after the effective date of the order.

(2) **NO INCREASE IN BENEFICIARY CHARGES IN ASSIGNMENT-RELATED CASES.**—If a reduction in payment amounts is made pursuant to a sequestration order for services for which payment under part B of title XVIII of the Social Security Act is made on the basis of an assignment described in section 1842(b)(3)(B)(ii), in accordance with section 1842(b)(6)(B), or under the procedure described in section 1870(f)(1) of such Act, the person furnishing the services shall be considered to have accepted payment of the reasonable charge for the services, less any reduction in payment amount made pursuant to a sequestration order, as payment in full.

(3) **PART B PREMIUMS.**—In computing the amount and method of sequestration from part B of 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 Medicare spending; and

(B) sequestration in the Part B program shall be accomplished by increasing premiums to beneficiaries.

(4) **NO EFFECT ON COMPUTATION OF AAPCC.**—In computing the adjusted average per capita cost for purposes of section 1876(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.

(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 Treasury, and the Postmaster General of the United States and shall have the duty to make 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 forgone 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. Within 30 days after the sequestration order is issued, the Postmaster General shall submit to the Postal Rate Commission a plan for financing the annual payment for that fiscal year and publish that plan in the Federal Register. The plan may assume efficiencies in the operation of the Postal Service, reductions in capital expenditures, increases in the prices of services, or any combination, but may not assume a lower Fund surplus or higher Fund deficit and shall follow the requirements of existing law governing the Postal Service in all other respects. Within 30 days of the receipt of that plan, the Postal Rate Commission shall approve the plan or modify it in the manner that modifications are allowed under current law. If the Postal Rate Commission does not respond to 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.

(j) **POWER MARKETING ADMINISTRATIONS AND T.V.A.**—Any sequestration of the Department of Energy power marketing administration funds or the Tennessee Valley Authority fund shall be accomplished by annual payments from those funds to the General Fund of the Treasury, and the administrators of those funds shall have the duty to make those payments during the fiscal year to which the sequestration order applies and each succeeding fiscal year. The amount of each payment by a fund shall be—

(1) the direct spending uniform sequestration percentage, times

(2) the estimated gross obligations of the fund in that year other than those obligations financed from discretionary appropriations for 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 power (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 combination, but may not be financed by a lower fund surplus, a higher fund deficit, additional borrowing, delay in repayment of principal on outstanding debt and shall follow the requirements of existing law governing the fund in all other respects. The administrator of a fund or the TVA Board is authorized to take the actions specified in this subsection in order to make the annual payments to the Treasury.

(k) **BUSINESS-LIKE TRANSACTIONS.**—Notwithstanding any other provision of law, for programs which provide a business-like service in exchange for a fee, sequestration shall be accomplished through a uniform increase in fees (sufficient to produce the dollar savings in such programs for the fiscal year of the sequestration required by section 11201(a)(2)), all subsequent fees shall be increased by the same percentage, and all proceeds from such fees shall be paid into the general fund of the Treasury, in any year for which a sequester affecting such programs are in effect.

SEC. 11207. THE CURRENT LAW BASELINE.

(a) **SUBMISSION OF REPORTS.**—CBO and OMB shall submit to the President and the Congress reports setting forth the budget baselines for the budget year and the next nine fiscal years. The CBO report shall be submitted on or before January 15. The OMB report shall accompany the President's budget.

(b) **DETERMINATION OF THE BUDGET BASELINE.**—(1) The budget baseline shall be based on the common economic assumptions set forth in section 11106, adjusted to reflect revisions pursuant to subsection (c).

(2) The budget baseline shall consist of a projection of current year levels of budget authority, outlays, revenues and the surplus or deficit into the budget year and the relevant outyears based on current enacted laws as of the date of the projection.

(3) For discretionary spending items, the baseline shall be the spending caps in effect pursuant to section 601(a)(2) of the Congressional Budget Act of 1974. For years for which there are no caps, the baseline for discretionary spending shall be the same as the last year for which there were statutory caps.

(4) For all other expenditures and for revenues, the baseline shall be adjusted by comparing unemployment, inflation, interest rates, growth and other economic indicators and changes ineligible population for the most recent period for which actual data are

available, compared to the assumptions contained in section 11106.

(c) **REVISIONS TO THE BASELINE.**—The baseline shall be adjusted for up-to-date economic assumptions when CBO submits its 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 caps 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.

(2) Such amount for each such fiscal year shall not be less than 1 percent of total budget authority and outlays available within those caps for that fiscal year.

(3) 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 in such request; and

(C) the projected obligations for unforeseen emergency needs exceed the 10-year rolling average annual expenditures for existing programs included in the Presidential request for the applicable fiscal year.

(4) 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 maintenance or any other category 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);

(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 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 assistance, and this clause 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 other Acts pursuant to which the President may declare a disaster or disasters and States and localities otherwise qualify for Federal disaster assistance; and

(C) a two-thirds vote in each House of Congress shall be required for each emergency to reduce or waive the State matching requirement of to forgive all or part of loans for the State matching share as required under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

(b) **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 procedure for releasing such funds for allocation to the appropriate committee. The amount withheld shall be equal to 1 percent of the total discretionary spending cap for fiscal year covered by the resolution, 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 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)(2)(D) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 or of section 11207 of the Balanced Budget Assurance Act of 1997 if it also provides an appropriation or direct spending for any other item or contains any other matter, but that bill or joint resolution, amendment, or conference report may contain rescissions of budget authority or reductions of direct spending, or that 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."

AMENDMENT TO H.R. 2015, AS REPORTED

OFFERED BY MR. TAYLOR OF MISSISSIPPI

At the end of title IV, add the following new subtitle:

Subtitle J—Uniformed Services Medicare Subvention

SEC. 4901. DEFINITIONS.

For purposes of this subtitle:

(1) **MEDICARE-ELIGIBLE COVERED MILITARY BENEFICIARY.**—The term "medicare-eligible covered military beneficiary" means a beneficiary under chapter 55 of title 10, United States Code, who—

(A) is entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.); and

(B) is enrolled in the supplementary medical insurance program under part B of such title (42 U.S.C. 1395j et seq.).

(2) **TRICARE PROGRAM.**—The term "TRICARE program" means the managed health care program that is established by the Secretary of Defense under the authority of chapter 55 of title 10, United States Code, principally section 1097 of such title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.

(3) **SUBVENTION PROGRAM.**—The term "subvention program" means the program established under section 4902 to reimburse the Department of Defense, from the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), for health care services provided to medicare-eligible covered military beneficiaries through the managed care option of the TRICARE program.

(4) **SECRETARIES.**—The term "Secretaries" means the Secretary of Defense and the Secretary of Health and Human Services acting jointly.

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 under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) for health care services provided to medicare-eligible covered military beneficiaries who agree to receive the health care services through 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 so enrolled 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.) other than 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 Secretary of Defense may amend existing TRICARE program contracts as may be necessary to incorporate provisions specifically applicable to medicare-eligible covered military beneficiaries who enroll in the managed care option of the TRICARE program.

(f) **COST SHARING.**—The Secretary of Defense may establish cost sharing requirements 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 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 1997 (Public Law 104-106; 110 Stat. 2591), the Secretaries determined that such expansion is feasible and advisable.

SEC. 4903. DETERMINATION OF REIMBURSEMENT AMOUNTS.

(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 Sec-

retary of Health and Human Services between each trust fund based on the relative weight that each trust fund contributes to the required payment) at a per capita rate equal to 93 percent of the applicable adjusted average per capita cost for each 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 provided to outpatients) 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 to 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 Secretary 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 XVIII of 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 necessary to offset those excess costs (and prevent future excess costs), including suspension or termination of the subvention program, adjustment of the payment rate under subsection (a)(2), 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. KENNEDY OF MASSACHUSETTS.

(Amendment to Child Health Budget Reconciliation Provision)

In section 3502, in the section 2103(b)(2) of the Social Security Act as added by such sec-

tion, insert before the period at the end 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-only funded health coverage program or pursuant to an optional expansion of coverage under the State’s medicaid plan under title XIX”.

AMENDMENT TO TAX RECONCILIATION PROVISIONS OFFERED BY MR. MCDERMOTT OF WASHINGTON AND MR. MATSUI

Strike section 934 of the bill (relating to standards for determining whether individuals are not employees).

AMENDMENT TO H.R. —, AS REPORTED, OFFERED BY MR. NADLER OF NEW YORK

(Offered to Medicare Reconciliation Provisions)

In section 3461(a)(3), in the paragraph (64)(A)(i) inserted by such section, by inserting before the semicolon at the end the following: “and so that coverage of services and treatment is not denied if they are determined to be medically necessary in the professional opinion of the treating health care provider, in consultation with the individual”.

In sections 4001 and 10001, in the section 1852(d)(1) inserted by each such section, amend subparagraph (D) to read as follows:

“(D) the organization provides coverage of services and treatment of appropriate providers, including credentialed specialists when such treatment and services are determined to be medically necessary in the professional opinion of the treating health care provider, in consultation with the individual; and

AMENDMENT TO H.R. —, AS REPORTED, OFFERED BY MR. NADLER OF NEW YORK, MS. MALONEY OF NEW YORK, AND MR. SCHUMER

Strike section 7002 (relating to the sale of Governor’s Island, New York) and redesignate subsequent sections of title VII accordingly.

Subtitle B of title III is amended by adding at the end the following:

SEC. 3102. SALE OF PETROLEUM PRODUCTS FROM WEEKS ISLAND FACILITY.

In fiscal year 2002, the Secretary of Energy shall sell 73,000,000 barrels of petroleum product from the Weeks Island facility of the Strategic Petroleum Reserve.

AMENDMENT TO THE BUDGET RECONCILIATION BILL OFFERED BY REPRESENTATIVE SANDER M. LEVIN

Strike subtitle D of title IX and insert the following:

Subtitle D—Restricting Welfare and Public Benefits for Aliens

SEC. 9301. EXCEPTION FOR CERTAIN DISABLED INDIVIDUALS FROM RESTRICTIONS ON SUPPLEMENTAL SECURITY INCOME AND MEDICAID PROGRAM PARTICIPATION BY QUALIFIED ALIENS.

(a) **SSI EXCEPTION.**—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by redesignating subparagraph (D) as subparagraph (E), and by inserting after subparagraph (C) the following new subparagraph:

“(D) **SSI EXCEPTION FOR CERTAIN DISABLED ALIENS.**—With respect to the program specified in paragraph (3)(A), paragraph (1) shall not apply to a qualified alien—

“(i) who is blind or disabled within the meaning of section 1614(a)(2) or 1614(a)(3), respectively, of the Social Security Act; and

“(ii) who, prior to August 23, 1996, was lawfully admitted for permanent residence or

had otherwise obtained an immigration status included in the definition of 'qualified alien' under section 431."

(b) **MEDICAID EXCEPTION.**—Section 402(b)(2) of such Act is amended by redesignating subparagraph (D) as subparagraph (E), and by inserting after subparagraph (C) the following new subparagraph:

"(D) **MEDICAID EXCEPTION FOR CERTAIN DISABLED ALIENS.**—With respect to the program specified in paragraph (3)(C), paragraph (1) shall not apply to a qualified alien who is an individual described in subsection (a)(2)(D)."

(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. 9302. 2-YEAR EXTENSION OF 5-YEAR EXCEPTIONS FOR REFUGEES AND CERTAIN OTHER QUALIFIED ALIENS FROM BANS ON 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 in the matter preceding clause (i) by inserting ", in the case of the Federal program specified in paragraph (3)(B), and 7 years, in the case of the Federal program specified in paragraph (3)(A)," after "5 years".

(b) **MEDICAID.**—Section 402(b)(2)(A) of such Act is amended in each of clauses (i), (ii), and (iii) by inserting "(or 7 years, in the case of the program specified in paragraph (3)(C))" after "5 years".

(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) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by redesignating subparagraph (E) (as previously redesignated by section 9301(a) of this Act) as subparagraph (F), and by inserting after subparagraph (D) the following new subparagraph:

"(E) **SSI EXCEPTION FOR PERMANENT RESIDENT ALIENS WHO ARE MEMBERS OF AN INDIAN TRIBE.**—With respect to the program specified in paragraph (3)(A), paragraph (1) 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. 450b(e))."

(2) **FIVE-YEAR RESTRICTION APPLICABLE TO NEW ENTRANTS.**—Section 403(b) of such Act is amended by adding at the end the following new paragraph:

"(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 the program specified in section 402(a)(3)(A)."

(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) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by redesignating subparagraph (F) (as previously redesignated by section 9303(a)(1) of this Act) as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

"(F) **SSI EXCEPTION FOR CERTAIN RECIPIENTS ELIGIBLE ON THE BASIS OF VERY OLD APPLICATIONS.**—With respect to the program specified in paragraph (3)(A), paragraph (1) shall not apply to any individual (i) who is eligible for 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 lacks clear and convincing evidence that such individual is an alien ineligible for such benefits as a result of the application of this section."

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect as though it had been included in the enactment of section 402 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

SEC. 9305. EXTENSION 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 9304(a) of this Act) is amended—

(1) in subclause (I), by striking "the date which is 1 year after such date of enactment" and inserting "March 31, 1998 or, if later, the date which is 255 days after the date of the enactment of [INSERT SHORT TITLE OF THE ACT CONTAINING THIS AMENDMENT]"; and

(2) in subclause (II)—

(A) by striking "the date of the redetermination with respect to such individual" and inserting "March 31, 1998 or, if later, the date which is 255 days after the date of the enactment of [INSERT SHORT TITLE OF THE ACT CONTAINING THIS AMENDMENT]"; and

(B) by inserting ", and the provisions of section 1614(a)(4) and clauses (i) and (ii) of section 1631(a)(7)(A) of the Social Security Act shall not apply to such individual" before the period.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) 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 may assume the disability determination function in such State, elect to make the determination of disability with respect to some or all of the individuals in such State who are described in section 402(a)(2)(D) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (as added by section 9301(a) of this Act) or to transfer responsibility for such function to another State that the Commissioner determines is willing and able to perform such function, if the Commissioner determines that such action is necessary to comply with the deadline specified in section 402(a)(2)(C)(i)(I) of the Personal Responsibility and Work Oppor-

tunity Reconciliation Act of 1996 (as redesignated by section 9304(a) of this Act).

SEC. 9307. PRESUMPTION OF DISABILITY FOR PURPOSES OF THE SUPPLEMENTAL SECURITY INCOME PROGRAM IN THE CASE OF CERTAIN QUALIFIED ALIENS RESIDING IN CERTAIN FACILITIES OR RECEIVING HOSPICE CARE.

For the purpose of determining whether a qualified alien (as defined in section 431 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) meets the requirement contained in clause (i) of section 402(a)(2)(D) of such Act (as added by section 9301(a) of this Act), a qualified alien—

(1) who—

(A) has attained the age of 65; and

(B) resides in an institution (or distinct part of an institution) that is primarily engaged in providing medical, custodial, or other care to residents who, because of their mental or physical condition, require such care; or

(2) who is terminally ill and receiving hospice care,

shall be presumed to be blind or disabled within the meaning of section 1614(a)(2) or 1614(a)(3), respectively, of the Social Security Act. Such presumption may be rebutted only if the Commissioner of Social Security receives clear and convincing evidence to the contrary.

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 requirement respecting blindness or disability contained in clause (i) of section 402(a)(2)(D) 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.**—Notwithstanding any other provision of law other than section 6103 of the Internal Revenue Code of 1986, the Department of Health and Human Services, the Immigration and Naturalization Service, an agency of any State, 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 (e)(12), (o), (p), (q), and (u) of section 552a 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 THE ACT CONTAINING THIS PROVISION] for the purpose of making the determinations described in subsection (a).

SEC. 9309. TREATMENT OF CERTAIN AMERASIAN IMMIGRANTS AS REFUGEES.

(a) **AMENDMENTS TO EXCEPTIONS FOR REFUGEES/ASYLUMS.**—

(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 (ii);

(B) by striking the period at the end of clause (iii) and inserting "or"; and

(C) by adding after clause (iii) 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 1988, 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, 1991, Public Law 101-513."

(2) FOR PURPOSES OF TANF, SSBG, 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 "or"; and

(C) by adding after clause (iii) the following new clause:

"(iv) an alien described in subsection (a)(2)(A)(iv) until 5 years (or 7 years, in the case of the program specified in paragraph (3)(C)) 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 such Act is amended by adding after subparagraph (C) the following new subparagraph:

"(D) An alien described in section 402(a)(2)(A)(iv)."

(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)."

(b) 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 MEANS-TESTED PUBLIC BENEFITS: SPECIAL RULE FOR CUBAN AND HAITIAN ENTRANTS.

(a) CORRECTION OF REFERENCE.—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)".

(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 9102, 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 marks and the period at the end.

In section 407(j) of the Social Security Act, as amended by Section 9004(a) of the bill, and in section 407(k) of the Social Security Act, as amended by Section 5004(a) of the bill, add the following at the end:

"(6) 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 Commerce) and 10801 through 10812 (Committee on Ways and Means), redesignate succeeding sections, and conform the table of contents.

AMENDMENT OFFERED BY REPRESENTATIVE ROUKEMA AND REPRESENTATIVE POMEROY

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 "and 120 percent in 1995 and years thereafter" and inserting ", 120 percent in 1995 through 1997, 130 percent in 1998, 140 percent in 1999, and 150 percent in 2000 and years thereafter".

(b) 100 PERCENT FMAP.—Section 1905(b) (42 U.S.C. 1396d(b)) is amended by adding at the end the following: "Notwithstanding the first sentence of this section, the Federal medical assistance percentage shall be 100 percent with respect to amounts expended as medical assistance for medical assistance described in section 1902(a)(10)(E)(iii) for individuals described in such section whose income exceeds 120 percent of the official poverty line referred to in such section".

"(ii) in the manner and through the written instrumentalities such MedicarePlus organization deems appropriate, makes available information on its policies regarding such service to prospective enrollees before or during enrollment and to enrollees within 90 days after the date that the organization or plan adopts a policy regarding such a counseling or referral service.

AMENDMENT OFFERED BY REPRESENTATIVE DAVIS OF VIRGINIA AND REPRESENTATIVE NORTON OF THE DISTRICT OF COLUMBIA

The amendment consists of the text of H.R. 1963.

AMENDMENT TO H.R.—, AS REPORTED (RELATING TO RECONCILIATION) OFFERED BY MR. BERMAN OF CALIFORNIA

At an appropriate place, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. . AMENDMENT TO PRESERVE FOOD STAMP ELIGIBILITY OF MIGRANT AND SEASONAL AGRICULTURAL WORKERS.

Subtitle D of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by adding at the end the following:

"SEC. 435. PRESERVATION OF ELIGIBILITY OF MIGRANT AND SEASONAL AGRICULTURAL WORKERS TO RECEIVE FOOD STAMP BENEFITS.

"(a) EXCLUSION OF MIGRANT AND SEASONAL AGRICULTURAL WORKERS.—Notwithstanding any other provision of this title, a migrant or seasonal agricultural worker who is eligible, as determined under the Food Stamp Act of 1977 (7 U.S.C. 2012(h)), to participate in the food stamp program (as defined in section 3(h) of such Act) shall not be determined, by reason of the operation of this title, to be ineligible to participate in such program.

"(b) DEFINITION.—For purposes of subsection (a), the term 'migrant or seasonal agricultural worker'—

"(1) has the meaning given the term 'migrant agricultural worker' in section 3(8) of Public Law 97-470 (29 U.S.C. 1802(8)), and

"(2) has the meaning given the term 'seasonal agricultural worker' in section 3(10) of Public Law 97-470 (29 U.S.C. 1802(10))."

AMENDMENT TO H.R.—, AS REPORTED OFFERED BY MRS. THURMAN OF FLORIDA
[(Amendment to Medicare Reconciliation Provisions)]

At the end of subtitle D 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," after "subject to 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)—

(A) 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 or the Department of Health and Human Services, respectively" after "with respect to title II"; and

(B) by striking the second sentence; and

(2) 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 granted under this section or under section 1128."

(d) CONFORMING AMENDMENT.—Section 1128 (42 U.S.C. 1320a-7) is amended by adding at the end the following new subsection:

"(j) REFERENCE 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 EMPLOYEES HEALTH 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 89 of title 5, United States Code)".

SEC. 10314. LIABILITY OF PHYSICIANS IN SPECIALTY 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

"(iv) fails or refuses to accept an appropriate transfer of a patient to a hospital that has specialized capabilities or facilities as defined in subsection (g)."

SEC. 10315. EXPANSION OF CRIMINAL PENALTIES FOR KICKBACKS.

(a) APPLICATION OF CRIMINAL PENALTY AUTHORITY TO ALL HEALTH CARE BENEFIT PROGRAMS.—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) ATTORNEY GENERAL'S 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, standard of 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 section.

"(4) This provision does not affect the availability of other criminal and civil remedies for such violations."

(c) ATTORNEY GENERAL'S INJUNCTION AUTHORITY.—Section 1128B (42 U.S.C. 1320a-7b) is further amended by adding at the end the following new subsection:

"(h) 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 a petition under this section does not preclude any other remedy which is available by law to the United States or any other person."

(d) DEFINITION.—Section 1128B(f) (42 U.S.C. 1320a-7b(f)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B);

(2) by striking "(f)" and inserting "(f)(1)";

and

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

"(2) For purposes of this section, the term "health care benefit program" has the meaning given such term in 18 U.S.C. 24(b)."

(e) CONFORMING AMENDMENTS.—

(1) Section 1128A(a) (42 U.S.C. 1320a-7a(a)) is amended in the final sentence by striking "1128B(f)(1)" and inserting "1128B(f)(1)(A)";

and

(2) Section 24(a) of title 18 of the United States Code is amended—

(A) by striking the period at the end of paragraph (2) and adding a semicolon; and

(B) by adding after paragraph (2) the following new paragraph:

"(3) section 1128B of the Social Security Act."

SEC. 10316. REPEAL OF HIPAA ADVISORY OPINION AUTHORITY.

Section 1128D (42 U.S.C. 1320a-7d) is amended by striking subsection (b).

SEC. 10317. REPEAL EXPANDED EXCEPTION FOR RISK-SHARING CONTRACT TO ANTI-KICKBACK PROVISIONS.

Section 1128B(b)(3) (42 U.S.C. 1320a-7b(b)(3)), as amended by section 216(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. ADMINISTRATIVE FEES FOR MEDICARE OVERPAYMENT COLLECTION.

(a) ADMINISTRATIVE FEES FOR PROVIDERS OF SERVICES UNDER PART A.—Section 1815(d) (42 U.S.C. 1395g(d)) is amended by inserting "(1)" after "(d)" and by adding at the end the following new paragraph:

"(2)(A) 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 paragraph (1)), 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 the provider, for deposit into the Trust Fund under this part.

"(B) The administrative fee shall be imposed under subparagraph (A) on a provider of services paid on a prospective basis only if such 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."

(b) ADMINISTRATIVE FEES FOR PROVIDERS OF SERVICES OR OTHER PERSONS UNDER PART B.—Section 1833(j) (42 U.S.C. 1395j(j)) is amended by inserting "(1)" after "(j)" and by adding at the end the following new paragraph:

"(2) 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 paragraph (1)), 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 the provider, or other person receiving the excess, 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, after consultation with the Comptroller General of the United States, shall determine—

(1) the medical diagnoses by providers of services under title XVIII of 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 under such title shall screen before payment is made in order to avoid such overpayments.

(b) REQUIREMENT FOR FISCAL INTERMEDIARIES AND CARRIERS.—The Secretary of Health and Human Services shall not enter into a contract with a fiscal intermediary or carrier 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

At the end of subtitle D of title IX (relating to restricting welfare and public benefits for aliens) insert the following new section:

SEC. 9305. SSI ELIGIBILITY FOR CERTAIN DISABLED ALIENS.

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) (as added by section 9303) the following new subparagraph:

"(G) 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—

"(i) who is blind or disabled within the meaning of section 1614(a)(2) or 1614(a)(3), respectively, of the Social Security Act; and

"(ii) who on or before August 22, 1996, obtained a status within the meaning of the term 'qualified alien'."

AMENDMENT OFFERED BY MR. PALLONE, MS. ESHOO, 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 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 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 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. 701 note; 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.), 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 payments and adoption assistance payments under part E of title IV of the Social Security Act (42 U.S.C. 670 et seq.)).

(2) EXPANDING OUTSTATIONING 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 only upon such terms and conditions as the Secretary specifies.

(d) ADMINISTRATION.—The Secretary may administer the grant program under this section through the identifiable 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—STRENGTHENING MEDICAID PROGRAM

SEC. 3521. STATE OPTION OF CONTINUOUS ELIGIBILITY FOR 12 MONTHS FOR CHILDREN UNDER THE MEDICAID PROGRAM.

(a) IN GENERAL.—Section 1902(e) of the Social Security Act (42 U.S.C. 1396a(e)) is amended by adding at the end the following new paragraph:

“(12) At 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 plan approved under this title under subsection (a)(10)(A) shall remain eligible for those benefits until the earlier of—

“(A) the end of a period (not to exceed 12 months) following the determination; or

“(B) the time that the individual exceeds that age.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to medical assistance for items and services furnished on or after January 1, 1998.

SEC. 3522. CLARIFICATION OF STATE OPTION TO COVER ALL CHILDREN UNDER 19 YEARS OF AGE.

Effective upon the date of the enactment of this Act, section 1902(l)(1)(D) of the Social Security Act (42 U.S.C. 1396a(l)(1)(D)) is amended by inserting “(or, at the option of a State, after any earlier date)” after “children born after September 30, 1983”.

CHAPTER 3—MEDIKIDS PROGRAM

SEC. 3531. 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 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 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—

(1) the State is meeting the medicaid coverage requirements of section 3532(a), and

(2) the plan provides assurances satisfactory to the Secretary that the MediKids program will be conducted consistent with the applicable requirements of section 3532.

SEC. 3532. 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 AND INFANTS UP TO 185 PERCENT OF POVERTY.—The State has established 185 percent of the poverty line as the applicable percentage under section 1902(l)(2)(A) 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(l)(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 section 1902(l)(1)(D) of such Act of individuals under 19 years of age, regardless of date of birth.

(3) MAINTENANCE OF EFFORT.—

(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 manner that would have the effect of reducing the eligibility of children for coverage under such plan, and

(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 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.

(b) COVERAGE OF UNINSURED CHILDREN.—

(1) IN GENERAL.—A MediKids program shall not provide benefits 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 coverage, but may expend funds for outreach and other activities in order to promote coverage under such plans.

(2) CONSTRUCTION.—Nothing in this subsection shall be construed as requiring a MediKids plan of a State to provide coverage for all near poverty level children described in paragraph (1) who are residing in the State.

(c) MEDICAID-EQUIVALENT BENEFITS.—

(1) IN GENERAL.—Subject to subsection (d), a MediKids program shall provide benefits to eligible children for the equivalent items and services for which medical assistance is available (other than cost sharing) to children under the State's medicaid plan.

(2) CONSTRUCTION.—Nothing in this subsection shall be construed as limiting the method under which a MediKids plan may provide benefits, including through purchase of health insurance coverage, direct payment for covered services, or otherwise.

(d) PREMIUMS AND COST-SHARING.—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.

SEC. 3533. PAYMENT AMOUNTS.

(a) TOTAL AMOUNT AVAILABLE.—The total amount of funds that is available for payments under this chapter in any fiscal year is \$2,000,000,000.

(b) ALLOTMENT AMONG STATES.—

(1) 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.

(2) 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.

(3) CARRYFORWARD.—If the Secretary does not pay to a State under subsection (c) in a fiscal year the amount of its allotment in that fiscal year under this subsection, the amount of its allotment under this sub-

section for the succeeding fiscal year shall be increased by the amount of such shortfall.

(c) PAYMENTS.—

(1) 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.

(2) NOT COUNTING COST SHARING.—For purposes of paragraph (1), if a MediKids program imposes premiums for coverage or requires payment of deductibles, coinsurance, copayments, or other cost sharing, under rules of the Secretary, expenditures attributable 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. 3534. DEFINITIONS.

For purposes of this chapter:

(1) The term “child” means an individual under 19 years of age.

(2) The term “medicaid plan” means the plan of medical assistance of a State under title XIX of the Social Security Act.

(3) The term “MediKids program” means a child health insurance program of a State under this title.

(4) The term “near poverty level child” means a child the family income of which (as defined by the Secretary) is at least 100 percent, but less than 300 percent, of the poverty line.

(5) The term “poverty line” has the meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section.

(6) The term “qualifying State” means a State with a MediKids program for which a plan is submitted and approved under this title.

(7) The term “Secretary” means the Secretary of Health and Human Services.

(8) 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 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 INDIVIDUAL HEALTH INSURANCE COVERAGE TO UNINSURED CHILDREN.

“(a) GUARANTEED AVAILABILITY.—

“(1) IN GENERAL.—Subject to the succeeding 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)) desiring to enroll in individual health insurance coverage—

“(A) may not decline to offer such coverage to, or deny enrollment of, such child;

“(B) either (i) does not impose any pre-existing condition exclusion (as defined in section 2701(b)(1)(A)) with respect to such coverage, or (ii) imposes such a preexisting condition exclusion only to the extent such an exclusion may be imposed under section 2701(a) in the case of an individual who is not a late enrollee; and

“(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 such 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 2744.

“(b) ELIGIBLE CHILD DEFINED.—In this part, the term ‘eligible child’ means an individual born after September 30, 1983, who has not attained 19 years of age and—

“(1) who 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 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 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 premiums or fraud).

For purposes of paragraph (2)(A), the term ‘group health plan’ does not include COBRA continuation coverage.

“(c) INCORPORATION OF CERTAIN PROVISIONS.—

“(1) 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 under section 2741(a).

“(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)(D); and

“(C) any deadline specified in such section shall be 1 year after the deadline otherwise specified.”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take apply 1 year after the effective date for section 2741 of the Public Health Service Act (as provided under section 111(b)(1) of the Health Insurance Portability and Accountability Act of 1996).

CHAPTER 5—APPROPRIATION FOR DATA SEC. 3551. AUTHORIZATION OF APPROPRIATIONS.

In addition to any other amounts authorized to be appropriated, there are authorized to be appropriated \$5,000,000 for the Bureau of the Census to refine the data on children in families with family incomes below 300 percent of the applicable Federal poverty level in each State.

AMENDMENT TO H.R. —, OFFERED BY MR. BENTSEN

Amend section 3471(b) to read as follows:

(b)(1) ADJUSTMENT TO STATE DSH ALLOCATIONS.—Subsection (f) of section 1923 (42 U.S.C. 1396r-4) is amended to read as follows:

“(f) LIMITATION ON FEDERAL FINANCIAL PARTICIPATION.—

“(1) IN GENERAL.—Subject to section 1903(x), payment under section 1903(a) shall not be made to a State with respect to any payment adjustment made under this section for hospitals in a State (as defined in paragraph (3)(B)) for quarters in a fiscal year in excess of the State disproportionate share hospital (in this subsection referred to as ‘DSH’) allotments for the year (as specified in paragraph (2)).

“(2) DETERMINATION OF STATE DSH ALLOTMENTS.—

“(A) IN GENERAL.—The DSH allotment for a State is equal to its State 1995 DSH spending minus—

“(i) for fiscal year 1998, 0;

“(ii) for fiscal year 1999, 15 percent of the State multiplier; and

“(iii) for fiscal year 2000 and each succeeding year, 25 percent of the State multiplier.

“(3) DEFINITIONS.—In this subsection:

“(A) STATE.—The term ‘State’ means the 50 States and the District of Columbia.

“(B) STATE 1995 DSH SPENDING.—The term—State 1995 DSH spending means, with respect to a State, the total amount of payment adjustments made under subsection (c) under the State plan during fiscal year 1995 as reported by the State no later than January 1, 1997, on HCFA Form 64.

“(C) STATE MULTIPLIER.—The term ‘State multiplier’ means, with respect to a State, the lesser of—

“(i) the State 1995 DSH spending; or

“(ii) 12 percent of the total amount of expenditures made under the State plan under this title for medical assistance during fiscal year 1995 as reported by the State no later than January 1, 1997 on HCFA Form 64.”

(2) 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 my colleagues something.

Here are thousands of pages of cuts, \$182 billion in entitlement cuts 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 noes 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:

[Roll No. 238]

YEAS—222

Aderholt	Gibbons	Packard
Archer	Gilchrest	Pappas
Armey	Gillmor	Parker
Bachus	Gillman	Paul
Baker	Goodling	Paxon
Ballenger	Goss	Pease
Barr	Graham	Peterson (PA)
Barrett (NE)	Granger	Petri
Bartlett	Greenwood	Pickering
Barton	Gutknecht	Pitts
Bass	Hansen	Pombo
Bateman	Hastert	Porter
Bereuter	Hastings (WA)	Portman
Bilbray	Hayworth	Pryce (OH)
Billrakis	Hefley	Quinn
Bliley	Herger	Radanovich
Blunt	Hill	Ramstad
Boehlert	Hilleary	Redmond
Boehner	Hobson	Regula
Bonilla	Hoekstra	Riggs
Bono	Horn	Riley
Brady	Hostettler	Rogan
Bryant	Houghton	Rogers
Bunning	Hulshof	Rohrabacher
Burr	Hunter	Ros-Lehtinen
Burton	Hutchinson	Roukema
Buyer	Hyde	Royce
Callahan	Inglis	Ryun
Calvert	Istook	Salmon
Camp	Jenkins	Sanford
Campbell	Johnson (CT)	Saxton
Canady	Johnson, Sam	Scarborough
Cannon	Jones	Schaefer, Dan
Castle	Kasich	Schaffer, Bob
Chabot	Kelly	Sensenbrenner
Chambliss	Kim	Sessions
Chenoweth	King (NY)	Shadegg
Christensen	Kingston	Shaw
Coble	Klug	Shays
Coburn	Knollenberg	Shimkus
Collins	Kolbe	Shuster
Combest	LaHood	Skeen
Cook	Largent	Smith (MI)
Cooksey	Latham	Smith (OR)
Crane	LaTourrette	Smith (TX)
Crapo	Lazio	Smith, Linda
Cubin	Leach	Snowbarger
Cunningham	Lewis (CA)	Solomon
Davis (VA)	Lewis (KY)	Souder
Deal	Linder	Spence
DeLay	Livingston	Stearns
Diaz-Balart	LoBiondo	Stump
Dickey	Lucas	Sununu
Doolittle	Manzullo	Talent
Dreier	McCollum	Tauzin
Duncan	McCrery	Taylor (NC)
Dunn	McDade	Thomas
Ehlers	McInnis	Thornberry
Ehrlich	McIntosh	Thune
Emerson	McKeon	Tiahrt
English	Metcalfe	Upton
Ensign	Mica	Walsh
Everett	Miller (FL)	Wamp
Ewing	Molinari	Watkins
Fawell	Moran (KS)	Watts (OK)
Foley	Morella	Weldon (FL)
Forbes	Myrick	Weldon (PA)
Fowler	Nethercatt	Weller
Fox	Neumann	White
Franks (NJ)	Ney	Whitfield
Frelinghuysen	Northup	Wicker
Gallegly	Norwood	Wolf
Ganske	Nussle	Young (AK)
Gekas	Oxley	Young (FL)

NAYS—204

Abercrombie	Brown (CA)	DeGette
Ackerman	Brown (FL)	Delahunt
Allen	Brown (OH)	DeLauro
Andrews	Capps	Dellums
Baessler	Cardin	Deutsch
Baldacci	Carson	Dicks
Barcia	Clay	Dingell
Barrett (WI)	Clayton	Dixon
Becerra	Clement	Doggett
Bentsen	Clyburn	Dooley
Berman	Condit	Doyle
Berry	Conyers	Edwards
Bishop	Costello	Engel
Blagojevich	Coyne	Etheridge
Blumenuher	Cramer	Evans
Bonior	Cummings	Farr
Borski	Danner	Fattah
Boswell	Davis (FL)	Fazio
Boucher	Davis (IL)	Filner
Boyd	DeFazio	Flake

Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee
(TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Klecza
Klink
Kucinich
LaFalce
Lampson
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren

Lowe
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek
Menendez
Millender-
McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Peterson (MN)
Pickett
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers

Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn

Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Collins
Combest
Cook
Cooksey
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fawell
Foley
Forbes
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrist
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton

Hulshof
Hunter
Hutchinson
Hyde
Ingalls
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourrette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBlondo
Lucas
Manzullo
McCollum
McCrary
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Mollinari
Moran (KS)
Moran (VA)
Morella
Myrick
Nethercatt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter

Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Lucas
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

Kildee
Kilpatrick
Kind (WI)
Klecza
Klink
Kucinich
LaFalce
Lampson
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowe
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Menendez
Millender-
McDonald
Miller (CA)
Minge

Mink
Moakley
Mollohan
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schumer

Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Snyder
Spratt
Stabenow
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn

NOT VOTING—8

Cox
Eshoo
Goodlatte

McHugh
Pomeroy
Schiff

Smith (NJ)
Yates

□ 1313

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.

The SPEAKER pro tempore (Mr. COMBEST). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MOAKLEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 228, noes 200, answered "present" 1, not voting 5, as follows:

[Roll No. 239]
YEAS—228

Aderholt
Archer
Armey
Bachus
Baker
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton

Bass
Bateman
Bereuter
Bilbray
Billirakis
Bliley
Blunt
Boehler
Boehner
Bonilla
Bono

Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady

Abercromble
Ackerman
Allen
Andrews
Baesler
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Camp
Conyers
Costello

NAYS—200

Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Ensign
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Flinner
Flake
Foglietta
Ford
Frank (MA)

Frost
Furse
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee
(TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly

ANSWERED "PRESENT"—1

Coburn

NOT VOTING—5

Cox
Meek

Schiff
Stark

Yates

□ 1331

So the resolution was agreed to. 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—Non-medicare.

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—
MEDICARESEC. 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. 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.

Sec. 4002. Transitional rules for current medicare HMO program.

Sec. 4003. Conforming changes in medigap program.

SUBCHAPTER B—SPECIAL RULES FOR

MEDICAREPLUS MEDICAL SAVINGS ACCOUNTS

Sec. 4006. MedicarePlus MSA.

SUBCHAPTER C—GME, IME, AND DSH PAYMENTS FOR MANAGED CARE ENROLLEES

Sec. 4008. Graduate medical education and indirect medical education payments for managed care enrollees.

Sec. 4009. 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 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 COMMISSION

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.

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. 4411. Elimination of formula-driven overpayments (FDO) for certain outpatient hospital services.

Sec. 4412. Extension of reductions in payments for costs of hospital outpatient services.

Sec. 4413. Prospective payment system for hospital outpatient department services.

SUBCHAPTER B—REHABILITATION SERVICES

Sec. 4421. Rehabilitation agencies and services.

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

SUBCHAPTER C—AMBULANCE SERVICES

Sec. 4431. Payments for ambulance services.

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

CHAPTER 3—PAYMENT UNDER PARTS A AND B

Sec. 4441. Prospective payment for home health services.

Subtitle G—Provisions Relating to Part B Only

CHAPTER 1—PHYSICIANS' SERVICES

Sec. 4601. Establishment of single conversion factor for 1998.

Sec. 4602. Establishing update to conversion factor to match spending under sustainable growth rate.

Sec. 4603. Replacement of volume performance standard with sustainable growth rate.

Sec. 4604. Payment rules for anesthesia services.

Sec. 4605. Implementation of resource-based physician practice expense.

Sec. 4606. Dissemination of information on high per admission relative values for in-hospital physicians' services.

Sec. 4607. No X-ray required for chiropractic services.

Sec. 4608. 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 services.

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. Renal dialysis-related services.

Sec. 4622. Payment for cochlear implants as customized durable medical equipment.

CHAPTER 3—PART B PREMIUM

Sec. 4631. 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 filing limitations.

Sec. 4703. Permitting recovery against third party administrators.

CHAPTER 2—HOME HEALTH SERVICES

Sec. 4711. Recapturing savings resulting from temporary freeze on payment 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.

tion 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 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. 4308. PROVISION OF CERTAIN IDENTIFICATION NUMBERS.

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

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.

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.

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 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 C—Child Support Enforcement

SEC. 9201. CLARIFICATION OF AUTHORITY TO PERMIT CERTAIN REDISCLOSURES OF WAGE AND CLAIM INFORMATION.

Section 303(h)(1)(C) of the Social Security Act (42 U.S.C. 503(h)(1)(C)) is amended by striking "section 453(i)(1) in carrying out the child support enforcement program under title IV" and inserting "subsections (i)(1), (i)(3), and (j) of section 453".

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 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) **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.

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.

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.

(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. 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.

- 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. 10601. Establishment of single conversion factor for 1998.
- 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.

- Sec. 10812. Calculation and payment of damages.

- Sec. 10813. Alternative dispute resolution.

H4523

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".

(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.

H4524

(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.

- 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) **REDESIGNATION 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 guarantee commitments" each place it appears and inserting "and budget outlays".

(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

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.

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".

(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 Representatives, subsection (a) does not apply to any bill or resolution—

"(A) providing advance 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.

"(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 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—

(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 AGREEMENTS.—

"(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 Balanced Budget and Emergency Deficit Control Act of 1985.

"(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 Control Act of 1974 is amended by striking "Effect of point" and inserting "Point".

SEC. 11113. 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:

"ADJUSTMENTS

"SEC. 314. (a) ADJUSTMENTS.—When—

"(1)(A) the Committee on Appropriations reports 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 pursuant 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 measure 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 the Congressional Budget and Impoundment Control Act of 1974 is amended by striking "section 601" and inserting "section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985".

(b) SECTION 1024.—Section 1024(a)(1)(B) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking "section 601(a)(2)" and inserting "section 251(c) of 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, 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:

"(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—

(1) in the side heading of subsection (a), by striking "1991-1998" and inserting "1997-2002";

(2) in subsection (a)(7) by inserting "(excluding Saturdays, Sundays, or legal holidays)" after "5 calendar days";

(3) in the first sentence of subsection (b)(1), by striking "1992, 1993, 1994, 1995, 1996, 1997 or 1998" and inserting "1997 or any fiscal year thereafter through 2002" and by striking "through 1998" and inserting "through 2002";

(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 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" 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 Monetary 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 Balanced Budget and Emergency Deficit Control Act of 1985 is repealed.

(b) CONFORMING AMENDMENT.—Section 31002 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 deposit 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 sequestration 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 sequestration 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 (c) through (j), respectively;

(2) in subsection (c)(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 Program 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 PERSONNEL.—

"(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 and 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)".

(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".

(GC) 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:

"Thrift Savings Fund;

"United States Enrichment Corporation (95-4054-0-3-271);

"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 "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 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(1) 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.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. KASICH] and the gentleman from South Carolina [Mr. SPRATT] each will be recognized for 90 minutes.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, I yield myself as much time as I may consume, and hopefully it will be short.

Let me just open the debate by making it very clear what we are about to do here today.

For those people who have watched the efforts to balance the budget over the course of the last 10 to 12 years, and I want to direct my remarks to a degree to my friend from Indiana, there has been great skepticism about any plan to balance the budget because what is involved is saying we will make the savings later in exchange for some increases or some tax increases today, and we will get around to it later.

What we are about to do today is to enact in permanent law the changes that are necessary in the entitlement programs that will accumulate the savings that will allow us to balance the budget over the course of the next 5 years, and so what I want everyone in this Chamber to understand is, as we enact the changes in permanent law, for example, that affect Medicare, we will accumulate savings as long as those changes in the law remain intact. In order for us to lose those savings, we would have to change the law again. We are not going to do that. We are not only going to do this in regard to Medicare in an effort to save Medicare and extend the life of Medicare for 10 years, but we are doing it in all the entitlement programs.

So what we are about today is to enact into permanent law those changes that will result in the savings of billions upon billions of dollars; over the course of the next 10 years, approximately a savings of \$700 billion in mandatory savings, the largest in history.

At the same time, in this bill we are putting in place spending caps for the operations of Government. These spending caps mean that, if we spend more than what we have budgeted for, then we have the Sword of Damocles come down, and it just cuts all spending above those caps. Those caps are enforceable. Real savings will result from limiting the growth of the programs which operate the Government to a growth of about half a percent as compared to 6 percent over the last 10 years.

So what we are about doing today is to pass the first real bill that will enact the permanent changes into law that will result in a balanced budget by

2002. It is not a wish, a prayer, a hope, a dream; it is reality.

Mr. ROEMER. Mr. Speaker, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from the Hoosier State.

Mr. ROEMER. Mr. Speaker, I appreciate the gentleman directing his events across the aisle in a bipartisan way because I intend to vote for this reconciliation package.

I would say that it is not only important to work in a bipartisan way to balance the budget, but this is a defining vote for the Democratic Party. It is a vote that, while working 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 many of us Democrats believe in balancing the budget, we believe in doing it in a fair, equitable and just manner.

Spending money on a brand-new initiative for children's health, \$16 billion over 5 years for uninsured children; that would not have happened 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 minorities in the Senate and the House working with the Republican majority.

There are lots of things that we believe 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 appreciate 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 budgetary matters, and I am very anxious to work with the President and with the Senate, the other body, and improve this bill even further in conference.

Mr. KASICH. Mr. Speaker, I reclaim 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 confusion with our colleagues or the people who advise our colleagues, we are about enacting the real savings that will accumulate to balance the budget. It is not based on some targets, it is not based on some jerry-rigged mechanism. It is based on controlling the growth of entitlement programs in a variety of areas, and I want to commend 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 savings 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 physicians to group together to compete

against insurance companies. We think that allowing physicians to be able to group together to compete against insurance companies will result in consumers 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 doing somersaults over this; it is the program to allow our senior citizens to have more choice by being able to purchase 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 facilities, which have been the most rapidly growing portion of Medicare. We are now going to have an item called prospective payments where we do not just turn the faucet on and let all the dollars run out. We want to hold people accountable who deliver these services.

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 \$115 billion over the next 5 years which is very similar to what we had proposed 2 years ago.

So I think this is just a terrific accomplishment. 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 reasonable provisions where the Governors of our country ought to be given flexibility 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 some areas where perhaps we could improve the bill, make it more compassionate, we agreed to do it. But we did not walk away from the basic commitment 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 programs is really a huge step forward in beginning to address the problem of 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 lifetime to invest in their own retirement, in a retirement program called Social Security where hopefully we can preserve 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 program that will preserve, protect and

enhance Social Security. We are going to have to work on a bipartisan basis in order to guarantee that our children are not consigned to spending all of their life working to pay our benefits. I think we can achieve it, and we are going to have to do it together because Social Security is as American as the flag and apple pie, and we are going to stand behind it, but we are going to have to improve it, and we are going to have to innovate it.

In the area of Medicare it is very clear that we are going to have to move toward a greater voucher system where senior citizens are going to hold a check and the health care providers in this country are going to have to compete for the right to provide quality care to our senior citizens.

□ 1345

It is one of the answers that I believe will help us be able to deal with the tremendous influx into the retirement programs of our baby boomers, and in the area of Medicaid, a lot more reform needs to be done in Medicaid. Frankly, we have to wonder why we do not create a system where the baby boomers begin to provide for their own long-term care.

The gentlewoman from Connecticut is intimately involved in trying to create a program to really move Medicaid to be a program for the disabled and the children, and that we need to encourage the baby boomers in this country to buy long-term care insurance so that we do not become a burden on our children.

The fact is, we cannot afford a generational war in this country. What we have done is to take the first step to show the country that we can, in a responsible way, begin to get a handle on entitlement programs, balance the budget, transfer power from this city into the hands of individuals who are the recipients of these programs, bringing greater innovation, bringing greater imagination to the effectiveness of these programs by transferring them out of a Washington model and putting them into the hands of people across the country.

I think that if we can be successful here, we will gain some of the confidence of the American people that all of us know we must take to deal with the problems of the next generation; we will gain confidence and credibility from the public when we take that next difficult, but clearly exciting step to preserve many of these programs for the American people.

So today we have so many things that we can be proud of, so many things that we can be excited about. But this is that step that will provide for a balanced budget in the year 2002 in a real way.

Mr. Speaker, I reserve the balance of my time.

Mr. SPRATT. Mr. Speaker, I ask unanimous consent to yield 45 minutes to the gentlewoman from Connecticut [Ms. DELAURO], and that she be allowed to control and yield that time.

The SPEAKER pro tempore (Mr. DREIER). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

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, the date I always pick as January 13, 1993, just before George Bush left office, his Economic Report of the President came to the Congress and it indicated, 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 deficit fell in 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 sweet occasion, a very satisfying moment. Instead, it is a little bit-tersweet.

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 out in the balanced budget agreement. It is still a work in process, very much something that is yet to be realized. That is why the administration requested us in a letter they sent today to pass a bill to move the process, not that they are endorsing this bill, but they endorse the process, because their expectation is that it can be perfected in conference, which remains to be seen.

Here are just a few of the ways that we have fallen short. The philosophy of our negotiation was that each side, Democrats and Republicans, would come out of the negotiation with something that each of us could claim we had won, some distinct victory. For our part we chose as a victory education, the President's request for education, and an initiative in the area of children's health care, another step toward providing health care for the millions of Americans who do not have it.

The goal 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 with health insurance. We set aside an earmark \$16 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 us a block grant that provides us no assurance that this \$16 billion will reach 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 budget negotiations. In dealing with welfare to work and with workfare 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 thereto under Federal law.

In dealing with the food stamp provision which now requires able-bodied food stamp beneficiaries between the ages of 18 and 50 to work in order to get their food stamps, we have provided \$1 billion in order to see to it that 350,000 workfare slots would be available so that these food stamp participants, if they could not find a job, could at least get workfare and continue to get their food stamps. 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 nothing to do with 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-Bilirakis 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 kids' care 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, and scored by the Congressional Budget Office not to save money in a bill where we are trying to shore up and restore solvency to Medicare or shore up and eradicate the deficit; this will cost the Medicare Program \$2 billion over the next 5 years, an expensive experiment.

So all of this is hard to swallow for Democrats. Some Democrats today, as

a consequence, who could be counted on to come to the floor as they did in 1993, as they did just a few weeks ago, and vote to eradicate the deficit and balance the budget will be forced to vote no today. It is not because they do not want to balance the budget, it is because they think the deal that they supported just a few weeks ago has not been upheld and has been actually breached.

Some, like me, will vote for the budget reconciliation bill before us. I vote for it for two strong and substantial reasons. First of all, as the bill began to emerge from the pipeline of the different authorizing committees, and we began to note its problems that had to be corrected and cleaned up, the 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 between the reporting of 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 a few weeks ago, a bill that we 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 1969, 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 return power, money, and decisions back to families, neighborhoods, and communities. As the mayor of Fort Worth, TX, I learned that local communities need more power and less mandates from Washington. The balanced budget we will continue today will reduce Washington spending as a percentage of our 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, the same 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 than education. By eliminating the deficit, a balanced budget will lower the cost of a typical student loan by nearly \$9,000. College education will be more affordable to young men and women across this country.

This budget agreement keeps our commitment to future generations by balancing the budget; to our parents and grandparents by preserving Medicare; and to 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 students 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 yielding me this time.

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.

□ 1400

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 than 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 taxes in 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 inflation, \$650 billion costs over 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 benefits? This country was founded 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 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

covers only about 500,000, and leaves out 4.5 million children. 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.

These bills punish working families and reward the wealthiest and big nationals. 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 proposed here 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 we passed earlier this month. In particular one of the areas where it is an outrage is what 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 that very 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 hurt 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 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 states \$16 billion would be spent 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 insurance. But what my Republican colleagues 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 to pay 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. DOGGETT. 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 wreckoniliation 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 wreckoniliation 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 headed 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. 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 Democrats on every single one of the votes that passed that bill that reduced the deficit from \$300 billion.

It was in 1993 that we passed the balanced budget in this country. The budget was at about \$300 billion. That bill, that was supported by Democrats only, not a Republican in the House and Senate supported that bill, brought the deficit down from an annual \$300 billion deficit all the way down to roughly \$60 billion this year.

What we are trying to do is maintain 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 we have discussed with 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. Some of these cuts are extraordinarily cruel. They cannot be denied by my friends who will stand on the other side of the aisle: a 20-percent cut in home health oxygen benefits for seniors, 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 out of home 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 hospitals, they are taking 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 and 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 senior citizens, who are now 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 this does is 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 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 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 benefits at all? In other words, 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.

□ 1415

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. Mr. Speaker, I thank the gentleman 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 tomorrow, tax relief for 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 screamed and yelled 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 them, the economic 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 get to the situation where we 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 the last 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 Republicans alike are going to carry this day and we are going to get the first tax relief for the American families in 16 years. That will vindicate 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 fear replaces 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 pays themselves rent to live in a house they own. Only in Washington, DC in the desperation of trying to concoct fear rather than new ideas, rather than joining with us to decrease the tax burden on working Americans, decrease the size of government, have a limited and effective 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 know 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

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: 76 percent of the tax cuts go to benefit middle-income families, families making between \$20,000 and \$75,000 a year for, Mr. Speaker, we realize that those middle-income taxpayers are exactly that. They are not rich. They are working Americans. They deserve a break. They will get one.

Mr. SHAYS. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. MILLER].

Mr. MILLER of Florida. Mr. Speaker, let us get clear what we are voting on today in the Balanced Budget Act. We are talking about the spending side of the equation. Tomorrow we are going to talk about the tax side of the equation. Because tomorrow we are going to vote on massive amounts of middle-class tax relief. But today we are talking about the spending side of the equation.

What we are talking about today is reining in the fiscal irresponsibility and spending that takes place here in Washington. When I first ran in 1992, I ran because it was a moral issue to me that this Government was building up an obscene and immoral debt that we were going to pass on to our children and grandchildren. It was wrong to build up a debt that today is over \$19,000 for every man, woman, and child in the United States because we just overspend in Washington. The way we go about solving that problem is reining in the Federal Government.

I was pleased to be able to serve on the Committee on the Budget with the gentleman from Ohio [Mr. KASICH] back in 1993 and 1994. As a minority back then, we introduced a budget resolution that was called cut spending first because we recognized that is where the problem is. It is not that we tax too little in this country. It is because we spend too much. And what this bill is today is \$700 billion of entitlement savings over the next 10 years. It needs to be done in a bipartisan fashion.

That is the reason I congratulate the gentleman from South Carolina [Mr. SPRATT] and the gentleman from Indiana [Mr. ROEMER] earlier who have always spoken in favor of this bill as a step in the direction for the final passage ultimately next month. So we have support on the other side of the aisle. It is too bad that the very liberal wing of the Democratic Party feels so adamant they need to demagogue that issue because what we are doing is the right thing for America's children and grandchildren of future generations to get the spending under control.

One of the very things I feel very positive about in this bill is Medicare. What we have is a Medicare Program that is going bankrupt. It will be bankrupt in 4 more years. We need to address this in a bipartisan fashion,

which is exactly what has been done in this committee. In fact, the Committee on Ways and Means passed it with a 36 to 3 vote. Only three Democrats voted against it. The majority of Democrats voted for the Medicare position of this bill, because Medicare has to be preserved, has to be protected, has to be saved for our senior citizens.

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. So we need it for the seniors. 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 do we go about doing that in this bill? What we do 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 on Medicare. 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 29 minutes remaining, the gentleman from South Carolina [Mr. SPRATT] has 36 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. They leave out the tax 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 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 off Medicare part A or 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 for 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 other important changes like reforming the medical malpractice rules and cracking down on waste, fraud and abuse.

□ 1430

But by empowering seniors, by giving them more choices, we take the biggest strides towards reforming and saving Medicare. By exercising the power to choose, seniors themselves will do most towards saving Medicare; they, not the Washington bureaucrats, will 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 a "no" vote on 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, trying 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. These people are 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. Do it so the 5- and 6-year-olds out there will not have to spend 80 to 84 cents of every dollar they make in some type of 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 working families.

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 term 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 Rules 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. And finally, Mr. Speaker, it endangers 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 cards, 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.

Here is 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

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 pawns in a ploy to displace existing workers have been gutted by the manager's amendment. 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 protection has now been effectively stripped. As reported by 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 unites Americans from all generations. We stand 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 vote.

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 requested by the President. But 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. My 12th grandson 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 \$189,000 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 hospitals and nursing homes, reasonable and adequate 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 gentleman from New York [Ms. VELÁZQUEZ].

(Ms. Velázquez asked and was given permission to revise and extend her remarks.)

Ms. VELÁZQUEZ. 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 made to 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 become disabled in the future. 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?

□ 1445

This is an issue of basic fairness. This budget agreement creates a huge double standard that will permit immigrants to be treated like second-class citizens. Why? To pay for huge tax breaks for the wealthy. Is that what this country is all about? Is that how a just society treats its elderly who become disabled? Is that the message to send to the rest of the world?

Mr. Speaker, this budget is really a disaster. It is cruel, it is unfair, and the American people will not stand for it.

Mr. SHAYS. Mr. Speaker, I ask unanimous consent to allow the gentleman

from California [Mr. THOMAS] to control and yield as he may choose the next 12 minutes of our time.

The SPEAKER pro tempore [Mr. DREIER]. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. THOMAS. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, as we carry on what I guess passes for normal debate around here, I think we probably ought to pause for just a moment and not let our partisan juices flow quite as freely as they do sometimes, because quite frankly, the Medicare provision in this bill is remarkable. It is remarkable for a number of reasons, but I think primarily because it sets a standard for what I believe ought to be the way in which we work public policy.

The Medicare Program is as important as any policy that the Federal Government has. It is more important than cheap partisan shots. Trying to resolve one of the more difficult problems that faces all of us and, more importantly, the seniors in this country is important.

I think we have all come to the general agreement that people will consume as much health care as other people are willing to pay for. If in fact that is true, and I think we believe it is, our Medicare Program is clearly in trouble. Bankruptcy was facing it: With an antiquated and out-of-date delivery system, especially with the rapid changes that are occurring in the private sector health care delivery system and the fact that some of the programs that we offer are as old as the bureaucracy that structured it; that is, we wait until people are sick before we deal with the problem instead of moving aggressively into preventive care and wellness.

This measure, passed by the Committee on Ways and Means and by the Subcommittee on Health, unanimously by the Subcommittee on Health, moves, I think, aggressively in the area of prevention, aggressively in the area of wellness, aggressively to address the question of bankruptcy, and aggressively to open up the system to a choice for seniors.

Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. STARK], the ranking member of the Subcommittee on Health.

(Mr. STARK 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 of the Medicare 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 I think than it solves. 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 gentleman 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, solid 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 guar-

anteeing 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, we had relatives who came 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 Polish, 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.

We are now saying if you come to this country, play by the rules, come in and you were working, coming in you had a sponsor, you did everything right, the sponsor died, you got old, you had an accident, we are saying, "You didn't come when our parents or grandparents came, so now we're changing the rules."

My colleagues are not changing the rules by this Congress for the United States of America, and my President, who represents Republicans and Democrats, today's history and tomorrow's history, is going to say, "We're not going to change these rules to save a couple of dollars to throw into capital gains indexing." What we are going to do is to make certain that anyone who wants to come to this great country will be able to come with the same rules and the same protections as for those who came and made this Nation so great.

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

Mr. SHAW. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, there have been several speakers who have come to the floor on the other side of the aisle who have, I am sure unintentionally, misstated what this bill says. I would like to say to them in the area of discrimination that people coming off of welfare certainly are not discriminated against. In fact, they are protected by title VI of the civil rights bill, which reads, and which is incorporated into the law, that "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

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 inserted 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 that have been 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, in order for 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 we passed last month. I believe that 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 the 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 workfare, have been modified. Unfortunately, critical differences have not yet been resolved on a range of issues including the restoration of benefits for legal immigrants—which was explicitly included in the agreement—and the application of all Fair Labor Standards Act protections to workfare participants.

I am concerned that we are again set to play politics and brinkmanship 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 delays, 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 adding extraneous items which have no 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, I believe these issues will be addressed in the conference committee, the next step for this bill, and I will support the package today as a recommitment 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 have to 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 tax 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 State policy creativity in developing local solutions to move people from welfare to work.

There is also a strong workfare provision in this bill. Just to remind the folks on the other side of the aisle, it contains protections for minimum wage. It contains protections for 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 Dakota [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 package before us substantially carries forward the agreement and the resolution, getting us on a balanced budget footing. Unfortunately, it falls 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 bedeviled us so in trying to get relief to the flood-stricken 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 deprive ultimately 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 limit our appetite for weapons systems. This legislation is one small step in the political process. Let us move the process ahead.

Mr. SHAW. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona [Mr. HAYWORTH], a valuable member of the Committee on Ways and Means, and a member of the Subcommittee on Human Resources.

□ 1545

Mr. Speaker, I thank the subcommittee chairman for yielding me the time.

Mr. Speaker, I would invite those who control the television cameras which broadcast these proceedings from coast to coast and around the world to take the proper perspective as I address in this well one of the dangers we face from those who would oppose this reconciliation act, one of the dangers we face from those who continue to distort what is at stake for the American people.

Mr. Speaker, I hold here H.R. 3734, one of the crowning achievements of the 104th Congress. Mr. Speaker, it is this bill that took the important steps in the 104th Congress to change welfare as we knew it, to move people from welfare to work.

Mr. Speaker, the danger in opposing the provisions that the new majority offers in this act would have the effect of taking this important piece of legislation and throwing it away, dropping it into the trash can, radically changing the intent of what transpires.

Good people can disagree. I will offer a perspective that needs to be heard, Mr. Speaker, by the American people and especially those who continue to champion the endless expansion of benefits and the destruction of welfare reform. Let me offer a real story from a real State, the 48th State in this Nation, the one that I represent, Arizona.

Let me quote to my colleagues the perspective of the Arizona Department of Economic Security director, Linda Blessing, in talking about the old welfare programs, "The status quo was not cutting it," and to further quote from her statement, "We handcuffed people into dependency."

Mr. Speaker, the facts are that we have moved in a successful, deliberate, commonsense fashion to move people

from welfare to work. More than 38,000 welfare recipients have dropped off the roles in Arizona since 1994, when the height of the enrollment in our State in that year was 195,000. The taxpayer-supported welfare program in Arizona has helped 23,000 recipients find needed employment training, placed 6,800 recipients in jobs, that is an increase of 1,000 recipients from last year.

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 provide for this, 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. The Federal Government, along with State governments, both made great strides with the welfare reforms passed last year. Now is the time to provide those State and local governments with flexibility. Do not trash welfare reform; build on it. Adopt the resolution.

Mr. SPRATT. Mr. Speaker, I yield 30 seconds to the gentlewoman 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 raise a minimum amount 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.

My 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 seen them before.

Last September Congress ordered a spectrum auction for the sole purpose of plugging a revenue gap. CBO estimated that the auction would raise \$1.8 billion. Instead the auction produced just \$13 million, less than one penny on the dollar. One speculator won the right to serve four States for a total of \$4. It appears that the Committee on the Budget, like the Bourbons of France, have learned nothing from this and forget nothing also.

The evidence shows that the market for radio spectrum is saturated and demand is at an all-time low. Yet we are, under the aegis of the Committee on the Budget, proceeding to rush forward to sell out spectrum for pennies on the dollar under a pretense that it will balance the budget. In fact, it will not. The money is not there and we are looking 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 engineers cannot identify where 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 currently used by the FAA. We can be sure then that this proposal will jeopardize the health and the safety of the flying public.

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 severe 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.

Mr. SHAW. Mr. Speaker, I yield myself some 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, approximately a year ago, 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 gentleman 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 are down 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 there 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 interrupt me.

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, there 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, 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 it 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 renege 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 she may consume to the gentleman from New Jersey [Mrs. ROUKEMA].

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

Mrs. ROUKEMA. 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.

We are on the verge of passing legislation that, for the first time in more than a generation, will set us on the trail toward a balanced budget. This goal of a balanced budget is not an abstract exercise that some economists or "green-eyed shade types" thought-up in some ivory tower. It is an essential economic tool to get the savings and capital investment we desperately need for research and development, and new plant and equipment to rebuild the American economy; keep us competitive in the global economy and create the good jobs at good wages we need for this generation and those to come. For these reasons I believe we must keep this progress going with the full expectations that the final conference report will get strong endorsement.

Tomorrow, we will take up the legislation that will implement a genuine "Save and Invest" in America program. Today, we fulfill the promise we made to our children and grandchildren to make this Government live within its means.

So this debate today is about priorities. While I will support this legislation in order to keep this important legislative process moving forward, I want the people of New Jersey to know of my priorities and the improvements I believe we need.

Mr. Speaker, there is much to be proud about in this bill. In addition to the real spending cuts that will move our budget into balance, this legislation contains a new \$16-billion initiative on children's health.

We are right to target \$16 billion to help insure children who are not insured. The only question remains over what will be done with this money to achieve the goal of providing health care to children.

I rise today to remind you not to forget children's mental health as well as their physical health. Both are components of children's health that cannot be ignored.

Any health initiative must have parity treatment of mental health coverage. Yesterday, in the other body, an amendment passed that would require that any plan that included mental health benefits would provide those benefits in a nondiscriminatory manner. This should remain a part of this budget package.

On the negative side, I recognize that we must have genuine entitlement reform. Medicare is going bankrupt and this bill restores its solvency for another 10 years while we debate a long-term solution to this pressing problem.

This legislation moves in that direction. But without question, this area of savings raises the most concern, and I must state my healthy skepticism about how much can, or should, be accomplished in the near-term.

I am deeply concerned about the Commerce Committee provision of this bill that cuts \$16 billion in Federal Medicaid matching funds 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], that this formula is unfair to New Jersey and other States and should be revised. 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 preserving and protecting this vital program, which the Congress should enact confident that there is not 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 two concerns. The first concern is the fact that budget reconciliation is a totally inappropriate forum for bringing forth such expansive legislation without proper 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.

My second concern is that this proposal does not help the health care situation in this country, but actually damages the integrity and health of group insurance coverage while reducing protections for patients.

We must carefully weigh the benefits of allowing associations the protections of being covered by national laws with the benefits of allowing State laws to determine consumer protections. While we do want to encourage companies to provide health care benefits to their employees and enlarge the prospects for small businesses to pool for insurance purposes, we must respect the right of each of the States to regulate the insurance industry within their boundaries. This proposal will drive us inextricably to national managed health insurance standards.

In other words, this legislation is significant, complex and perhaps one whose time has come but not in a reconciliation budget package.

This is no way to run a railroad or a legislative body. I will make every effort to ensure that this provision will be dropped in conference.

I am equally concerned that this legislation does not contain the strong budget enforcement mechanism introduced by Congressmen BARTON and MINGE. However, I will rely on the commitment from the Republican leadership that we will have a vote on this important legislation in July and that, if successful, this legislation will become part of the reconciliation process.

That process will not be without difficulty, but as we prepare to enact legislation that balances the Federal budget we should not kid ourselves into thinking that it will be easy to do. 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.

Mr. Speaker, I rise with 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.

□ 1615

Mr. SPRATT. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [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.

While this bill contains fewer cuts than 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 misguidedly 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 unwisely rejected by the Republican majority.

Second, the Medicare cuts are not as onerous 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 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 take good jobs away from workers making 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 gentlewoman from North Carolina [Mrs. 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 and nutrition. 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 educational opportunities and tax 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 reservation, I do not ever expect that everything I want will be in the bill.

I can tell my colleagues, I am still looking forward to voting for a bal-

anced 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, so they are 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 welfare to work, age discrimination, sex discrimination generically and do not apply the same labor standards that are codified already in law, we are supposing 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 issues.

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, those things that we want to do indeed for all the people of this country, but at this point we did get things into Medicare and Medicaid.

For example, for the first time we are actually going to allow the health care giver, the physician and the patient, to determine if they need a specialist, or the physician and the patient will actually determine if they need to be in the hospital, not a health care bureaucrat or an accountant.

With that, I thank the gentleman from Florida [Mr. BILIRAKIS], the chairman. I think we have a great bill, and I urge all Members to support it.

Mr. SPRATT. Mr. Speaker, I believe the provision the gentleman referred to was dropped in the manager's amendment.

Mr. Speaker, I yield 1½ minutes to the gentleman from Illinois [Mr. EVANS].

Mr. EVANS. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, H.R. 2015 would kill the efforts of the Department of Veterans Affairs from obtaining the resources it needs to meet the health care needs of our Nation's veterans.

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 service 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 increased.

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 by VA to certain veterans. The VA is attempting to collect funds for third party payments, but today those recovered funds are simply deposited by the VA into the General Treasury.

On a bipartisan basis the House Committee on Veterans' Affairs rejected this proposal. Our committee believed it jeopardized VA's ability to meet veterans' health care needs and we said so. We told the Committee on the Budget that Congress should continue to fully fund health care through the appropriations process. The Committee on 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 asked and was given permission to revise and extend his remarks.)

Mr. BILBRAY. Mr. Speaker, this afternoon we are hearing much talk about what is not in this bill and why they are finding excuses to vote against this bill. Let me give Members a major reason to vote for this bill for people who say they want to protect the most needy, the most disadvantaged in our society.

Mr. Speaker, for decades this Federal Government has mandated that we provide certain services across this country, and over the last few years we have mandated that poor working-class hospitals provide free emergency health care to illegal aliens. At the same time this Congress and other Congresses have mandated that they have walked away from the responsibility to pay the bill for the emergency health care to illegal aliens. This bill, Mr. Speaker, has in it a fund set aside to finally reimburse those working-class hospitals that have been denied the reimbursement that they have deserved for so long.

I hope my colleagues who claim to represent the poor, the needy, the disadvantaged, the people that are not

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 start paying for the health care of the illegal aliens that we mandate to be serviced. Quit being a deadbeat dad.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentlewoman 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 reform bill that was only enacted last August. Let's see if it's going to work."

Yet here 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 Reconciliation Act, we have a work requirement where there is no additional compensation. We are going to take their cash welfare check, we are going to take their food stamps 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 additional money.

Where is the work incentive that we are trying to build in the people that we 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 absolutely taken away from them. The protections of being a worker are denied. Many of the protections, such as occupational health and safety, sex discrimination, all the things that ordinary workers would have. Family medical 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 America.

We apologized for slavery over 100 years ago. Who is going to stand up and apologize for the slavery that is incorporated in this budget reconciliation bill? This is really degrading. I stood in defense of some of the rhetoric we heard in this Chamber about the importance 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 the budget reconciliation bill because it establishes priorities 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.

BENEFITS FOR 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 welfare law was enacted August 22, 1996.

However, this effort falls far short of restoring coverage in a meaningful way to elderly and disabled noncitizens.

Much has been said about how the reconciliation bill fails to live up to the bipartisan budget agreement. The budget agreement pledged to restore SSI and Medicaid for all legal immigrants in 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 immigrants 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 better, since it would let disabled noncitizens file for SSI through the end of this fiscal year. Nevertheless, it still covers 55,000 fewer people than the budget agreement does.

We could do more to help this population, but we are failing to do so. During its deliberations, the House Ways and Means Committee found it had \$2.3 billion left over. My colleague Mr. BECERRA proposed a \$2.4 billion plan to cover all elderly and disabled legal immigrants in the country, even those not already on the SSI rolls. The committee had a rare chance to do the right thing, but they let it slip away. Now it appears that they saved this money simply to cut the taxes of affluent Americans who need it the least.

It is reprehensible to cut taxes for the rich, while leaving disabled and elderly legal immigrants destitute. We should restore SSI and Medicaid benefits to all legal immigrants, not merely those who were covered by the bipartisan budget agreement.

HEALTHCARE

The budget contains numerous cuts and policy changes that will have a devastating impact on the health of our most vulnerable populations. Medicare and Medicaid will be cut by almost \$130 billion over 5 years, while individual rights to justice and State authority over the health plans of small employers are eliminated.

The budget targets the most vulnerable populations cutting Medicare by \$115 billion over the next 5 years. Those in support of this legislation, 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 reassurances, there can be no denying that payment reductions to doctors and hospitals are passed on to Medicare beneficiaries. Medicare beneficiaries pay in decreased access to care and decreased quality of care. Medicare beneficiaries are the losers.

How many Members of Congress have received letters from constituents protesting extended waits for doctor's appointments because their physician can only see a limited number of Medicare beneficiaries each month, or that their doctor has dropped Medicare pa-

tients entirely because they lose money every time they see a Medicare patient? Do we expect more physicians to accept Medicare patients when payments are cut even further? Do we expect hospitals to make more room for Medicare patients when we are reducing payments to hospitals? How do these cuts improve access to care? Have we improved quality of care by turning physicians and hospitals into assembly line health care drive through windows?

The budget includes a demonstration project to test how medical savings accounts would work in the Medicare Program. We just passed a medical savings account demonstration project last year and we don't even know if that will be a success. Why are we now implementing a MSA demonstration project in Medicare?

Medicare should be the last place we should be testing MSA's. Medical savings accounts will attract the healthiest and least expensive to cover while the more expensive high risk individuals remain in traditional health insurance programs. With a greater density of high risk individuals in the traditional health plans, costs will rise creating additional strain on Medicare. Savings produced by medical savings accounts will be meager compared to the higher costs to cover individuals in traditional plans.

Meanwhile, Medicaid will be cut by \$13.6 billion. These cuts will predominantly come from reductions in payments to hospitals that serve a disproportionate share of low income patients. Cuts to disproportionate share hospitals [DSH] will place enormous burdens on rural hospitals and hospitals in low-income areas. Why are we cutting from these areas when these are the populations that need access to care the most. Many facilities in low-income or rural areas will not be able to survive.

Also concerning Medicaid, the budget repeals the Boren amendment which requires State Medicaid Programs to pay a reasonable and adequate rate for facilities and services provided by hospitals and nursing homes. Once again, do we expect quality of care and access to care to improve by permitting State Medicaid Programs to shortchange hospitals and nursing homes? Beneficiaries will feel the cuts and beneficiaries will end up paying.

The budget bill attacks the rights of individuals in medical malpractice cases and attacks the authority of States to regulate the health plans of small employers.

This budget weakens individual protections from medical malpractice by capping noneconomic damages in medical malpractice cases at \$250,000. This is an egregious injustice. No matter how severe the harm caused by medical malpractice, noneconomic compensation is limited to \$250,000. To place an arbitrary limitation on the damages an individual can receive due to medical malpractice is an atrocity. This cap abolishes the rights from every American to receive just compensation from medical malpractice.

To top this off, this legislation puts a 2-year statute of limitation on medical liability cases, beginning on the date the injury occurred or should have reasonably been discovered, and no legal action could begin more than 5 years after the date of the alleged injury. Absolutely absurd.

Another disturbing provision included in the budget is the Expansion of Portability and

Health Insurance Coverage [EPHIC] Act of 1997, which contrary to a popular theme that has dominated the direction of this Congress, removes 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 crafting 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 insure 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 will get a windfall. This 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 choice, and 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 indentured servitude 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.

Under the bill before us today, welfare recipients who are forced to go to work in public service agencies and nonprofit organizations to work off their welfare benefits will not be treated as employees. The compensation they receive will not be considered wages or salary and they will not be afforded the same rights and protections under labor laws as other employees in this Nation. Furthermore, States will be able to count the combined TANF, formerly AFDC, and food stamps benefits in calculating whether welfare workers in workfare or community service jobs are receiving minimum wage.

What happened to equal work for equal pay, or does that just apply to the well-off in the Nation—and not the poor?

I am frankly astounded that the majority has advocated these changes to the welfare law because they are directly contrary to the emphasis of last year's bill, which was to em-

power welfare recipients with jobs, to promote the value of work, and to promote self-sufficiency through experiencing the dignity of work.

How can one experience the dignity of work if they are treated differently than every other employee, not paid a wage, not protected by labor laws, and relegated to a position most vulnerable to discrimination and abuse?

Under this legislation, welfare recipients, virtually all of whom are women, will not be protected against sexual harassment and sex discrimination as in title VII of the Civil Rights Act. They will not be protected under OSHA, the Fair Labor Standards Act, nor the Family and Medical Leave Act.

In short, welfare workers will be denied the most basic rights afforded every other person in the workplace. This is shameful, and a tragic step backward to a time when indentured servitude and slavery was condoned in this country.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. UPTON], a member of the committee.

(Mr. UPTON asked and was given permission to revise and extend his remarks.)

Mr. UPTON. Mr. Speaker, I would like to talk a little bit about why Congress should retain the States' option to provide services as well as insurance coverage with their child health assistance program grants.

The children's health provisions of this budget agreement state that "the resources will be used in the most cost-effective manner to expand coverage and services for low-income and uninsured children with a goal of up to 5 million currently uninsured children being served."

Simply having a Medicaid card or private insurance plan is no guarantee of access to health care services in the many medically underserved rural and inner-city areas of this country. Community health centers are located in medically underserved rural and urban areas and may be the only source of care in many of those areas. These centers serve one out of every six low-income American children and one out of every seven uninsured children in the United States. In addition to providing health care services, community health centers are experienced in dealing with barriers to health care for children, such as transportation and language and cultural differences.

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana [Mr. TAUZIN], chairman of the Subcommittee on Telecommunications, Trade, and Consumer Protection.

Mr. TAUZIN. Mr. Speaker, let me first tell my colleagues that the Committee on Commerce had an awesome task. Assigned to us in the budget agreement was \$2.2 trillion of budget savings over the period of time that this budget agreement is to operate. That was a huge undertaking. I think the gentleman has correctly pointed with pride to the work of every member of our committee in developing for the Committee on Rules in this pack-

age with the help of the Committee on the Budget a package of reforms that does in fact honorably meet those goals.

On the Subcommittee on Telecommunications, Trade, and Consumer Protection, we had a particularly arduous task of writing a section that would meet the Committee on the Budget's requirements of spectrum auctions and revenues to the government over the next 5 years in the face of some very disturbing recent trends, the most recent of which was an auction in April that yielded only one-half of 1 percent of the amount of money that the Committee on the Budget had earlier predicted that auction would yield for the Treasury.

Let me at first compliment the gentleman from Ohio [Mr. KASICH] and the members of the Committee on the Budget for working so carefully with the members of the Subcommittee on Telecommunications, Trade, and Consumer Protection in trying to resolve that arduous task and those numbers. What has been accomplished in the course of the last few days through negotiations with the Committee on Rules are provisions to help ensure that the next round of spectrum auctions are conducted much more responsibly.

Number one, it is clear from 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 about \$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 bidders to know what is coming down the pike and will give enough time for the market to clear. 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.

We have retained in this bill 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.

□ 1630

We have retained the committee language that there must be minimum bids in these auctions. No more should we have bids on auction of a dollar at the marketplace.

In short this is a good package. I urge its adoption and commend the committee for its fine work.

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 & 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.

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 the 40 million 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 franchise networks, union 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 economies 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 60 percent in overhead costs and that up to one-half of the 40 million uninsured 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 insurance companies. 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 5 minutes.

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 fiscal conservatism, 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 levels that qualify for Medicaid 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 the 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 right 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. First of all, Mr. Speaker, I appreciate the gentleman from New Jersey yielding 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 this 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 from bankruptcy, ensuring that 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 [Mrs. ROUKEMA].

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

Mrs. 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 certainly to ensure 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 should be separated out, 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].

□ 1700

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 un-

insured 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 puts 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 520,000. 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 this budget reconciliation bill, 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, and with the 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 replacement 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 [MSA's] 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 money that should be left in the Medicare Trust Fund or spent on benefits that 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.

The changes in how managed care organizations will be paid by Medicare are also extreme. They will cause severe problems in higher cost urban areas. An initial attempt to rationalize payments became a free-for-all in which HMO's in urban areas, and the beneficiaries who are enrolled in them, are the losers.

And while this bill is better as a 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.

Many of the changes this bill makes in Medicaid are also 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 moneys on these kinds of hospitals.

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 of Texas. Mr. Speaker, I acknowledge to the gentleman 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 pit children against my hospitals in Texas. I do not want to give a windfall to those Governors who may not focus on the need to insure the 10 million children who are uninsured.

We have a real health plan that does not pit hospitals against children. It is extremely valuable that we move forward 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 vehement 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.

First, 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-income 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. A reduction in payments to these hospitals, therefore, discriminates against Texas because 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 seniors and young persons suffer severe cuts in Federal funds, tens of thousands of low-income Americans will feel the pain.

Also included in this bill is a troubling provision commonly referred to as the Hyde amendment. 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. The inclusion of this 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 a substandard health environment which says to them that we do not care. This ban could force some women to resort to unsafe alternatives and others could suffer delays resulting in more risky procedures. One way or another, society will have to bear the costs of providing medical and support services for the eligible recipients under this block grant who are not able to terminate crisis pregnancies.

Let me now turn my attention to our Nation'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 immigrants who were in the country as of last August, 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 children's health care initiative is turned into a block grant which even the Congressional Budget Office estimates may only cover 500,000 additional children—not the 5 million goal children agreed to in the budget negotiations. This seems to me to be obvious evidence 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 provided a sincere effort to reach as 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 legislation that is a step toward bringing the national budget into balance and eliminating the deficit. I believe, however, that it is possible to do this 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 gentleman from Texas [Mr. STENHOLM].

The SPEAKER pro tempore [Mr. DREIER]. The gentleman from Texas [Mr. STENHOLM] is recognized for 1½ minutes.

Mr. STENHOLM. Mr. Speaker, I rise in support 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 conference and keep the process moving.

The efforts of President Clinton and Congress have resulted in 5 consecutive years of declining deficits and the lowest deficit since the Carter administration. The agreement builds on this tremendous achievement, and continues the glidepath to a balanced budget.

I am gratified that in numerous instances this reconciliation bill reflects the influence of Blue Dog budgets. The savings levels and the policies for Medicare and Medicaid and other programs are quite close to the savings levels and policies we predicted would comprise a reasonable compromise.

Anyone who has ever tried to lead knows there are a dozen attacks on why a plan is bad for every one suggestion of how it might be improved. I remain solidly in the camp of those who will work for a constructive compromise.

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 point. 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 reconciliation 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 remaining problems. My primary concern is the lack of meaningful enforcement, but we will yet have another attempt at making that correction.

Mr. PALLONE. Mr. Speaker, I yield the balance of my time to the gentleman from California [Mr. FAZIO].

The SPEAKER pro tempore. The gentleman from California [Mr. FAZIO] is recognized for 1½ minutes.

Mr. FAZIO of California. Mr. Speaker, I am very disappointed at this point. I voted for the budget resolution, and I looked forward to the bipartisan cooperation we saw then put in place so we could vote today to send this bill to conference in the same bipartisan manner.

But the bill comes up short. We do not need a provision to take the Hyde language on abortion and make it permanent law. We need to pay more attention, for example, to the way in which we try to extend health care to the 10 million kids in our society that are not covered by insurance today.

First of all, we need an outreach program, because we know there are 3 million of them that are currently eligible for Medicaid who are not part of it. We need to expand the Medicaid program to try to broaden coverage throughout our States. On top of that, we need insurance reforms that will make it possible for parents to buy insurance for their children if the children do not get it where they work, or if the children are not covered.

Most of all, we need to work with the States to go after the kids of the working-poor families who are not covered, but simply, to make a grant to the States and tell them they can use it for almost any purpose is going to do nothing more than supplant existing State funds. We need to expand affordable insurance coverage and not simply go through a shell game with State and Federal dollars.

There are ways we can make this a better bill. I hope I can support it when it comes back from conference. I am optimistic I can. I want to give credit to the gentleman from Ohio [Mr. KASICH], my good friend, and the gentleman from South Carolina [Mr. SPRATT]. They have resolved a number of problems before they came here

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. SHAYS. Mr. Speaker, I yield the balance of my time to the chairman, the gentleman from Ohio, [Mr. JOHN KASICH], the gentleman who began this long march toward a balanced budget in 1989.

Mr. KASICH. Mr. Speaker, let me first of all compliment my colleague and friend, the gentleman from South Carolina [Mr. SPRATT]. 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 the difficulty of being able to write 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 an honest difference in terms of how we would best help people who were in need.

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 I had to sit in rooms and we had to direct a whole panoply of activity across our conference under the grounds of making sure that this agreement was carried out in terms of its spirit.

Frankly, if Members take a look at the efforts that have been made contained in this reconciliation bill, we have done a job that is unparalleled in this House in modern times. The committee chairmen, constructively, to meet the agreement, they worked aggressively and with great bipartisan effort to bring the other side to this agreement, and at the end of the day I think we are pretty well there.

Let me just suggest one other thing that I would like Members to think about as they are in their offices, if they are a Democrat, when they want to come over here. Think about the House, for once. This is a terrific opportunity to join together to do something that we have not done in 30 years. We have a realistic chance. I predict, I believe, we will in fact have a bill. It will be signed into law. We will have a tax bill, it will pass, it will ultimately be signed into law. We are going to have a balanced budget. We are going to have tax cuts.

I think it represents a new opportunity for this House to push aside this partisan wrangling that we have been involved in over the period of the last several years and come together on something. This is just a matter of common sense. Mr. Speaker, if we had not lived up to the spirit of this accord, the administration would not be supporting the passage of this bill.

I ask Members to listen to their hearts and listen to their people. Do not listen to a bunch of people who want to find an excuse to keep this House divided, who want to find an excuse to nitpick, 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, it is a terrific day. We are going 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 move 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 the American people 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 we head into this third millennium, 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. OWENS. 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 we should discover by watching what is included in the budget and understanding that 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 a budget which is not apologizing for the amount of money in it for 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 have the greatest needs 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 Education Association, \$11 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 by not funding this vital 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 justify proposals to cut Medicare and Medicaid. The savings that Medicare will yield will come from cutting payments to providers, \$102 billion, mainly hospitals and health care plans, as well as \$12.9 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 measure will cover that portion 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 forced to move in 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 coverage. Why has this funding 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 were grateful for the small step forward when we asked for funds to insure one-half of the uncovered children. Yet, the Congressional Budget Office recently released figures that indicate as few as 500,000 children would benefit from the block grant proposal. 500,000 is a mere drop in the bucket and embarrassingly short of the dramatic health care needs of this country's children.

Just a week ago, I welcomed the joint resolution celebrating the end of slavery in the United States. I thought that it was a small gesture. However, it is an important one for a lot of Americans, both black and white, and I was pleased to see that not a single Member of the House of Representatives voted against this joint resolution introduced by the gentleman from Oklahoma [Mr. WATTS]. But today, when I see certain provisions included in the Welfare-to-Work Program, my pleasure is gone. The resolution that passed last week was simply a nonbinding, politically correct bill. Yet, today we are considering a bill that could become permanent law and would resort to a declassification of workers in the Workfare Program. I see benefits that every American in the workplace share not included in the welfare program. These workers, because they receive temporary assistance for needy families, would not be considered employees and would be deprived of protections under the Fair Labor Standards Act. These workers, both white and black, would be treated as second-class citizens. They would not be covered

by the Equal Pay Act, title VII civil rights protection's SHA, or the family leave laws. Because they receive temporary assistance for needy families they are not protected against sexual harassment as other workers. This regulation states that "women subject to sexual harassment on a welfare-to-work assignment could be required to seek redress from the very agency that employed them." H.R. 2015 contains no appeals rights, and no court redress for workfare participants. Where is this 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 from coronary heart disease 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 wronged 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 from the SSI program in October. 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 after this date. At best, the omission of 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.

Mrs. JOHNSON 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 the elderly category that she may, or 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 support eliminating SSI for those noncitizens 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 grandfathering all noncitizens on SSI as of last August, I support efforts to provide a bridge to those noncitizens who become disabled in the future. Legal permanent residents need to be aware of their options in the future, before they become disabled. If they work, or their spouse works, for 40 quarters, serve in the military, or become a U.S. citizen, legal residents will qualify for SSI. I am optimistic that most permanent residents will be prepared to meet at least one of these criteria and so protect themselves in case of a disabling accident.

As a bridge, for legal residents not qualified for SSI but who are borderline, I support a transition period so that noncitizens who came to the United States under the old rules and who are already borderline disabled or disabled but supported by family would be able to receive help.

I urge my colleagues to join me in support of the noncitizens provisions of the Balanced Budget Act of 1997.

Ms. CHRISTIAN-GREEN. Mr. Speaker, I rise in strong opposition to the budget reconciliation bill because it will hurt everyone from children to low income workers to legal immigrants.

Over 1 month ago, my colleagues on the other side of the aisle heralded the reaching an agreement with the President to balance the Federal budget by the year 2002. However, in an almost complete turnaround, this spending bill before the House today reflects a near complete repudiation of that agreement.

In addition to refusing to honor the budget agreement on health-care coverage for low-income elderly and uninsured children, the bill before us today makes deep cuts in the very important Disproportionate Share Hospital Program and the SSI State maintenance-of-effort.

Of particular concern to me and my colleagues who represent the over 4 million U.S. citizens in the U.S. territories and commonwealths, this spending bill completely eliminates all of the increments for inflation adjustments to the Medicaid Programs in these areas, that was provided in the balanced budget agreement. My constituents and those of my fellow congressional Delegates whose health care costs we cannot adequately meet at our present capped funding levels, were counting on even this small increase in our Medicaid payments.

June 25, 1997

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.

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 serves 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.

□ 1715

MOTION TO RECOMMIT OFFERED BY MR. BROWN OF OHIO

Mr. BROWN of Ohio. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore (Mr. DREIER). 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 RECOMMIT 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 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 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. 701 note; 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.), 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 payments and adoption assistance payments under part E of title IV of the Social Security Act (42 U.S.C. 670 et seq.)).

(2) EXPANDING OUTSTATIONING 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 only upon such terms and conditions as the Secretary specifies.

(d) ADMINISTRATION.—The Secretary may administer the grant program under this section through the identifiable 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 child health insurance program, or MediKIDS program, approved by the Secretary 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 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—

(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 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:

(1) 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 under section 1902(1)(2)(A) of the Social Security Act (42 U.S.C. 1396a(1)(2)(A)).

(2) COVERAGE OF CHILDREN UP TO 19 YEARS OF AGE.—The State provides, either through exercise of the option under section 1902(1)(1)(D) of such Act (42 U.S.C.

1396a(1)(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)(1)(D) of such Act of individuals under 19 years of age, regardless of date of birth.

(3) MAINTENANCE OF EFFORT.—

(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 manner that would have the effect of reducing the eligibility of children for coverage under such plan, and

(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 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.

(b) COVERAGE OF UNINSURED CHILDREN.—

(1) IN GENERAL.—A MediKIDS program shall not provide benefits 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 coverage, but may expend funds for outreach and other activities in order to promote coverage under such plans.

(2) CONSTRUCTION.—Nothing in this subsection shall be construed as requiring a MediKIDS plan of a State 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 equivalent items and services for which medical 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 forms of cost-sharing with respect to benefits under the program; 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 (including 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 other 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 program.

(3) NO COST SHARING FOR PREVENTIVE SERVICES.—A MediKIDS program may not impose deductibles, coinsurance, copayments, or similar cost sharing for preventive services.

SEC. 3523. PAYMENT AMOUNTS.

(a) TOTAL AMOUNT AVAILABLE.—

(1) 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 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 aggregate additional Federal expenditures under made title XIX of the Social Security Act during the fiscal year that the Secretary estimates, before the beginning of the fiscal year, is attributable to imposition of the conditions described in section 3522(a). For purposes of applying the previous sentence, any Federal expenditures that result from an increase in the applicable percentage under section 1902(1)(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) 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) ADJUSTMENT TO REFLECT ACTUAL EXPENDITURES.—After the end of each fiscal year, the Secretary shall determine the actual amount of the additional Federal expenditures described in subparagraph (A) for the fiscal year. The Secretary shall adjust the amount otherwise specified under subparagraph (A) for subsequent years to take into account the amount by which the amounts estimated for previous fiscal years under such subparagraph were greater, or less than, the actual amount of the expenditures for such years.

(b) ALLOTMENT AMONG STATES.—

(1) 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.

(2) 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.

(3) CARRYFORWARD.—If the Secretary does not pay to a State under subsection (c) in a fiscal year the amount of its allotment in that fiscal year under this subsection, the amount of its allotment under this subsection for the succeeding fiscal year shall be increased by the amount of such shortfall.

(c) PAYMENTS.—

(1) 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.

(2) NOT COUNTING COST SHARING.—For purposes of paragraph (1), if a MediKIDS program imposes premiums for coverage or requires payment of deductibles, coinsurance, copayments, or other cost sharing, under rules of the Secretary, expenditures attributable 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 "child" means an individual under 19 years of age.

(2) The term "medicaid plan" means the plan of medical assistance of a State under title XIX of the Social Security Act.

(3) The term "MediKids program" means a child health insurance program of a State under this title.

(4) The term "near poverty level child" means a child the family income of which (as defined by the Secretary) is at least 100 percent, but less than 300 percent, of the poverty line.

(5) The term "poverty line" has the meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section.

(6) The term "qualifying State" means a State with a MediKids program for which a plan is submitted and approved under this title.

(7) The term "Secretary" means the Secretary of Health and Human Services.

(8) 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 ELIGIBILITY FOR DISABLED CHILDREN WHO LOSE SSI BENEFITS

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 "(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 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.

CHAPTER 4—ASSURING CHILDREN'S ACCESS TO HEALTH INSURANCE

SEC. 3541. 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 INDIVIDUAL HEALTH INSURANCE COVERAGE TO UNINSURED CHILDREN.

"(a) GUARANTEED AVAILABILITY.—

"(1) IN GENERAL.—Subject to the succeeding 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)) desiring to enroll in individual health insurance coverage—

"(A) may not decline to offer such coverage to, or deny enrollment of, such child;

"(B) either (i) does not impose any preexisting condition exclusion (as defined in section 2701(b)(1)(A)) with respect to such coverage, or (ii) imposes such a preexisting condition exclusion only to the extent such an exclusion may be imposed under section 2701(a) in the case of an individual who is not a late enrollee; and

"(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 such 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 2744.

"(b) ELIGIBLE CHILD DEFINED.—In this part, the term 'eligible child' means an individual born after September 30, 1983, who has not attained 19 years of age and—

"(1) who 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 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 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 premiums or fraud).

For purposes of paragraph (2)(A), the term 'group health plan' does not include COBRA continuation coverage.

"(c) INCORPORATION OF CERTAIN PROVISIONS.—

"(1) 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 under section 2741(a).

"(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)(D); and

"(C) any deadline specified in such section shall be 1 year after the deadline otherwise specified."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take apply 1 year after the effective date for section 2741 of the Public Health Service Act (as provided under section 111(b)(1) of the Health Insurance Portability and Accountability Act of 1996).

AMENDMENT TO H.R. —, AS REPORTED

OFFERED BY MR. BARTON OF TEXAS

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".

(b) TABLE OF CONTENTS.—

TITLE XI—BUDGET PROCESS ENFORCEMENT

Sec. 11001. Short title and table of contents.

Sec. 11002. Definitions.

Subtitle A—Ensure That the Bipartisan Balanced Budget Agreement of 1997 Achieves Its Goal

Sec. 11101. Timetable.

Sec. 11102. Procedures to avoid sequestration or delay of new revenue reductions.

Sec. 11103. Effect on Presidents' budget submissions; point of order.

Sec. 11104. Deficit and revenue targets.

Sec. 11105. Direct spending caps.

Sec. 11106. Economic assumptions.

Sec. 11107. Revisions to deficit and revenue targets and to the caps for entitlements and other mandatory spending.

Subtitle B—Enforcement Provisions

Sec. 11201. Reporting excess spending.

Sec. 11202. Enforcing direct spending caps.

Sec. 11203. Sequestration rules.

Sec. 11204. Enforcing revenue targets.

Sec. 11205. Exempt programs and activities.

Sec. 11206. Special rules.

Sec. 11207. The current law baseline.

Sec. 11208. Limitations on emergency spending.

SEC. 11002. 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 AND SEQUESTRATION.—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 cap for that year.

(4) BASELINE.—The term "baseline" means the projection (described in section 11207) of current levels of new budget authority, outlays, receipts, and the surplus or deficit into the budget year and the outyears.

(5) BUDGETARY RESOURCES.—The term "budgetary resources" means new budget authority, unobligated balances, direct spending authority, and obligation limitations.

(6) DISCRETIONARY APPROPRIATIONS.—The term "discretionary appropriations" means budgetary resources (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. Classifications of new accounts or activities and changes in classifications shall be made in consultation with the Committees on Appropriations and the Budget of the House of Representatives and the Senate and with CBO and OMB.

(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) 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) 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 advance by appropriation Acts, 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 with a budget submission under section 1105(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 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	CBO economic and budget update.
First Monday in February.	President's budget update based on new assumptions.
August 1	CBO and OMB updates.
August 15	Preview report.
Not later than November 1 (and as soon as practical after the end of the fiscal).	OMB and CBO Analyses of Deficits, Revenues and Spending Levels and Projections for the Upcoming Year.
November 1–December 15	Congressional action to avoid sequestration.
December 15	OMB issues final (look back) report for prior year and preview for current year.
December 15	Presidential sequester order or order delaying new/additional revenues reductions scheduled to take effect pursuant to reconciliation legislation enacted in calendar year 1997.

SEC. 11102. 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 11104;

(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 revenue targets in section 11104; or

(3) outlays in the most recently completed fiscal year exceeded, or outlays in the current year are projected to exceed, the caps in section 11104;

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 or revenue targets or the outlay caps contained in this Act; through any combination of—

(i) reductions in outlays;

(ii) increases in revenues; or

(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 or the Senate by the chairman 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 that House 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, or different policies and proposed legislative changes than those contained in the message of the President, to ameliorate or eliminate any excess deficits or expenditures or any revenue shortfalls, or

(2) any changes to the deficit or revenue targets or expenditure caps contained in this Act, except that any changes to the deficit or revenue targets or expenditure caps cannot be greater than the changes recommended in the message submitted by the President.

(d) PROCEDURE IF THE COMMITTEES ON THE BUDGET OF THE HOUSE OF REPRESENTATIVES OR SENATE FAILS TO REPORT REQUIRED RESOLUTION.—

(1) AUTOMATIC DISCHARGE OF COMMITTEES ON THE BUDGET OF THE HOUSE.—If the Committee on the Budget of the House of Representatives fails, by November 20, to report a resolution meeting the requirements of subsection (c), the committee shall be automatically discharged from further consideration of the joint resolution reflecting the President's recommendations introduced pursuant 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 consider any amendment to the resolution except amendments which are germane and which do not change the net deficit impact of the resolution.

(e) CONSIDERATION OF JOINT RESOLUTION 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).

(f) TRANSMITTAL TO SENATE.—If a joint resolution passes the House of Representatives pursuant to subsection (e), 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. The resolution shall be referred to the Senate Committee on the Budget.

(g) REQUIREMENTS FOR SPECIAL JOINT RESOLUTION IN THE SENATE.—The Committee on the Budget of the Senate shall report not later than December 1—

(1) a joint resolution reflecting the message of the President; or

(2) the joint resolution passed by the House of Representatives, with or without amendment; or

(3) a joint resolution containing different policies and proposed legislative changes than those contained in either the message of the President or the resolution passed by the House of Representatives, to eliminate all or part of any excess deficits or expenditures or any revenue shortfalls, or

(4) any changes to the deficit or revenue targets, or to the expenditure caps, contained in this Act, except that any changes to the deficit or revenue targets or expenditure caps cannot be greater than the changes recommended in the message submitted by the President.

(h) PROCEDURE IF THE SENATE BUDGET COMMITTEE FAILS TO REPORT REQUIRED RESOLUTION.—

(1) AUTOMATIC DISCHARGE OF SENATE BUDGET COMMITTEE.—In the event that the Committee on the Budget of the Senate fails, by December 1, to report a resolution meeting the requirements of subsection (g), the committee shall be automatically discharged from further consideration of the joint resolution reflecting the President's recommendations introduced pursuant to subsection (a) and of the resolution passed by the House of Representatives, and both joint resolutions shall be placed on the appropriate calendar.

(2) CONSIDERATION OF DISCHARGE RESOLUTION IN THE SENATE.—(A) If the Committee has been discharged under paragraph (1), any member may move that the Senate consider the resolution. Such motion shall be highly privileged and not debatable. It shall not be in order to consider any amendment to the resolution except amendments which are germane and which do not change the net deficit impact of the resolution.

(B) Consideration of resolutions reported pursuant to subsections (c) or (d) shall be pursuant to the procedures set forth in section 305 of the Congressional Budget Act of 1974 and subsection (d).

(C) If the joint resolution reported by the Committees on the Budget pursuant to subsection (c) or (g) or a joint resolution discharged in the House of Representatives or the Senate pursuant to subsection (d)(1) or (h)(1) would eliminate less than—

(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; then the Committee on the Budget of the Senate shall report a joint resolution, raising the deficit targets or outlay caps, or reducing the revenue targets for any year in which actual or projected spending, revenues or deficits would not conform to the deficit and revenue targets or expenditure caps in this Act.

(k) CONFERENCE REPORTS SHALL FULLY ADDRESS 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 to eliminate all or part of

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 average or shortfall; or

(2) the House of Representatives and Senate both pass the joint resolution reported pursuant to subsection (j)(2).

The vote on any resolution reported pursuant to subsection (j)(2) shall be solely on the subject of changing the deficit or 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 on the budget unless it is consistent with the spending, revenue, and deficit levels established in sections 11104 and 11105.

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, \$53,300,000,000; and

(5) for fiscal year 2002, there shall be a surplus 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—

(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.

SEC. 11105. DIRECT SPENDING CAPS.

(a) **IN GENERAL.**—Effective upon submission of the report by OMB pursuant to subsection (c), direct spending caps shall apply to all entitlement authority except for undistributed offsetting receipts and net interest outlays. For purposes of enforcing direct spending caps under this Act, each separate program shown in the table set forth in subsection (d) shall be deemed to be a category.

(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 identical reports containing account numbers and spending levels for each specific category.

(c) **REPORT BY OMB.**—Within 30 days after enactment of this Act, OMB shall submit to the President and each House of Congress a report containing account numbers and spending limits for each specific category.

(d) **CONTENTS OF REPORTS.**—All direct spending accounts not included in these reports under separate categories shall be included under the heading "Other Entitlements and Mandatory Spending". These reports may include adjustments among the caps set forth in this Act as required below, however the aggregate amount available under the "Total Entitlements and Other Mandatory Spending" cap shall be identical in each such report and in this Act and shall be deemed to have been adopted as part of this Act. Each such report shall include the actual amounts of the caps for each year of fiscal years 1998 through 2002 consistent with

the concurrent resolution on the budget for FY 1998 for each of the following categories:

Earned Income Tax Credit,

Family Support,

Federal retirement:

Civilian/other,

Military,

Medicaid,

Medicare,

Social security,

Supplemental security income,

Unemployment compensation,

Veterans' benefits,

Medicare,

Other entitlements and mandatory spending, and

Aggregate entitlements and other mandatory spending.

(e) **ADDITIONAL SPENDING LIMITS.**—Legislation enacted subsequent to this Act may include additional caps to limit spending for specific programs, activities, or accounts with these categories. Those additional caps (if any) shall be enforced in the same manner as the limits set forth in such joint explanatory statement.

SEC. 11106. ECONOMIC ASSUMPTIONS.

Subject to periodic reestimation based on changed economic conditions or changes in eligible population, 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. 11107. REVISIONS TO DEFICIT AND REVENUE TARGETS AND TO THE CAPS FOR ENTITLEMENTS AND OTHER MANDATORY SPENDING.

(a) **AUTOMATIC ADJUSTMENTS TO DEFICIT AND REVENUE TARGETS AND TO CAPS FOR ENTITLEMENTS AND OTHER MANDATORY SPENDING.**—When the President submits the budget under section 1105(a) of title 31, United States Code, for any year, OMB shall calculate (in the order set forth below), and the budget and reports shall include, adjustments to the deficit and revenue targets, and to the direct spending caps (and those limits as cumulatively adjusted) for the current year, the budget year, and each outyear, to reflect the following:

(1) **CHANGES TO REVENUE TARGETS.**—

(A) **CHANGES IN GROWTH.**—For Federal revenues and deficits 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.

(B) **CHANGES IN INFLATION.**—For Federal revenues and deficits under laws and policies enacted or effective before July 1, 1997, inflation 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.

(2) **ADJUSTMENTS TO DIRECT SPENDING CAPS.**—

(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 minus those levels 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 the level of year-over-year inflation measured for the fiscal year most recently completed and the applicable estimated level for that year as described in section 11105 (relating to economic assumptions). For direct spending under laws and policies enacted or effective after July 1, 1997, there shall be no adjustment to the direct spending caps (for changes in economic conditions including inflation, nor for changes in numbers of eligible beneficiaries) unless—

(i) the Act or the joint explanatory statement of managers accompanying such Act providing new direct spending includes economic projections and projections of numbers of beneficiaries; and

(ii) such Act specifically provides for automatic adjustments to the direct spending caps in section 11105 based on those projections.

(D) **CHANGES IN ELIGIBLE POPULATIONS.**—For direct spending under laws and policies enacted or effective on or before July 1, 1997, the basis for adjustments under this section shall be the same as the projections underlying Table A-4, CBO Baseline Projections of Mandatory Spending, Including Deposit Insurance (by fiscal year, in billions of dollars), published in An Analysis of the President's Budgetary Proposals for Fiscal Year 1998, March 1997, page 53. For direct spending under laws and policies enacted or effective after July 1, 1997, there shall be no adjustment to the direct spending caps for changes in numbers of eligible beneficiaries unless—

(i) the Act or the joint explanatory statement of managers accompanying such Act providing new direct spending includes economic projections and projections of numbers of beneficiaries; and

(ii) such Act specifically provides for automatic adjustments to the direct spending caps in section 11105 based on those projections.

(E) **INTRA-BUDGETARY PAYMENTS.**—From discretionary accounts to mandatory accounts. The baseline and the discretionary spending caps shall be adjusted to reflect those changes.

(c) **CHANGES TO DEFICIT TARGETS.**—The deficit targets in section 11104 shall be adjusted to reflect changes to the revenue targets or changes to the caps for entitlements and other mandatory spending pursuant to subsection (a).

(d) **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. This subsection may be waived in the Senate only by an affirmative vote of three-fifths of the Members duly chosen and sworn.

Subtitle B—Enforcement Provisions**SEC. 11201. REPORTING EXCESS 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), 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 revenue targets or 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 include:

(1) 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 for the current year and estimated actual spending for the categories associated with such caps.

(3) The amounts by which direct spending shall be reduced in the current 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 fiscal years.

(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 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 sequestrable budgetary resources in that account at that 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 sequestration shall apply to all programs, projects and activities within a budget account.

(3) INDEFINITE 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 succeeding fiscal years are reduced, from the level that would actually have occurred, by the applicable sequestration percentage or percentages.

(4) 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.

(5) IMPLEMENTING REGULATIONS.—Notwithstanding any other provision of law, administrative rules or similar actions implementing any sequestration shall take effect within 30 days after that sequestration.

SEC. 11203. SEQUESTRATION RULES.

(a) GENERAL RULES.—For programs subject to direct spending caps:

(1) TRIGGERING OF SEQUESTRATION.—Sequestration is triggered if total direct spending subject to the caps exceeds or is projected to exceed the aggregate cap for direct spending for the current or immediately preceding fiscal year.

(2) 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.

(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 sequestrable base for direct spending programs and activities is the total level of outlays for the fiscal year for those programs or activities in the current law baseline.

(4) 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 spending 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.

(5) SPECIAL RULE.—For any direct spending program in which—

(A) outlays pay for entitlement benefits;

(B) a current-year sequestration takes effect after the 1st day of the budget year;

(C) that delay reduces the amount of entitlement authority that is subject to sequestration in the budget; and

(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.

(6) INDEXED BENEFIT PAYMENTS.—If, under any entitlement program—

(A) benefit payments are made to persons or governments more frequently than once a year; and

(B) the amount of entitlement authority is periodically adjusted under existing law to reflect changes in a price index (commonly called "cost of living adjustments"); sequestration shall first be applied to the cost of living adjustment before reductions are made to the base benefit. For the first fiscal year to which a sequestration applies, the benefit payment reductions in such programs accomplished by the order shall take effect starting with the payment made at the beginning of January following a final sequester. For the purposes of this subsection, veterans' compensation shall be considered a program that meets the conditions of the preceding sentence.

(7) 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 sequestrable base shall be total fees associated with all loans made 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.

Notwithstanding any other provision of law, 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.

(8) INSURANCE PROGRAMS.—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 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, subsequent 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 all States 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, sequestration shall first be applied to the estimated increases before reductions are made compared to actual payments to States in the previous year—

(i) the reductions shall be applied first to the total estimated increases for all States; then

(ii) the uniform reduction shall be made from each State's grant; and

(iii) the uniform reduction shall apply to the base funding levels 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.—Except matters exempted under section 11204 and programs subject to special rules set forth under section 11205 and notwithstanding any other provisions of law, any sequestration 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 reduction in the monetary value of benefits subject to reduction under this subsection.

(b) WITHIN-SESSION SEQUESTER.—If a bill or resolution providing direct spending for the current year is enacted before July 1 of that fiscal year and causes a breach within any direct spending cap for that fiscal year, 15 days later there shall be a sequestration to eliminate that breach within that cap.

SEC. 11204. ENFORCING REVENUE TARGETS.

(a) PURPOSE.—This section enforces the revenue targets established pursuant to section 11104. This section shall apply for any year in which actual revenues were less than the applicable revenue target in the preceding fiscal year or are projected to be less than the applicable revenue target in the current year.

(b) ESTIMATE OF NECESSITY TO SUSPEND NEW REVENUE REDUCTIONS.—Based on the statement provided under section 11201(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 lower than the applicable revenue target in section 11104, as adjusted pursuant to section 11106, by more than 1 percent of the applicable total revenue target for such year. The report shall include—

(1) all laws and policies described in subsection (c) which would cause revenues to decline in the calendar year which begins January 1 compared to the provisions of law in effect on December 15;

(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 1997 would (but for this section) first take effect in a tax benefit suspension year, such provision shall not take effect until the first calendar year which is not a tax benefit suspension year.

END OF SUSPENSION.—If the OMB report issued under section (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 year will equal or exceed the applicable targets the President shall sign an order ending the delayed phase-in of new tax cuts effective January 1. Such order shall provide that the new tax cuts shall take effect as if the provisions of this section had not taken effect.

(e) **SUSPENSION OF BENEFITS BEING PHASED IN.**—If, under any provision of the Internal Revenue Code of 1986, there is an increase in any benefit which would (but for this section) take effect with respect to a tax benefit suspension year, in lieu of applying subsection (c)—

(1) any increase in the benefit under such section with respect to such year and each subsequent calendar year shall be delayed 1 calendar year, and

(2) the level of benefit under such section with respect to the prior calendar year shall apply to such tax benefit suspension year.

(f) **PERCENTAGE SUSPENSION WHERE FULL SUSPENSION UNNECESSARY TO ACHIEVE REVENUE TARGET.**—If the application of subsections (c), (d), and (e) to any tax benefit suspension year would (but for this subsection) (1) all laws and policies described in subsection (c) which would cause revenues to decline in the calendar year which begins January 1 compared to the provisions of law in effect on December 15; subsections (c), (d), and (e) shall be applied such that the amount of each benefit which is denied is only the percentage of such benefit which is necessary to result in revenues equal to such target. Such percentage shall be determined by OMB, and the same percentage shall apply to such benefits.

(g) **TAX BENEFIT SUSPENSION YEAR.**—For purposes of this section, the term "tax benefit suspension year" means any calendar year if the statement issued under subsection (b) during the preceding calendar year indicates that—

(1) for the fiscal year ending in such preceding calendar year, actual revenues were 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

(2) for the fiscal year beginning in such preceding calendar year, projected revenues (determined without regard to this section) are estimated 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.

SEC. 11205. 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 or other receipts or collections properly creditable to those 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 private 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;

(D) the Federal Reserve System; and

(E) appropriations for the District of Columbia to the extent they are appropriations of locally raised funds;

(8) 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—

Bureau of Indian Affairs, miscellaneous trust funds, tribal trust funds (14-9973-0-7-999);

Claims, defense;

Claims, judgments and relief act (20-1895-0-1-806);

Compact of Free Association, economic assistance pursuant to Public Law 99-658 (14-0415-0-1-806);

Compensation of the President (11-0001-0-1-802);

Customs Service, miscellaneous permanent appropriations (20-9992-0-2-852);

Eastern Indian land claims settlement fund (14-2202-0-1-806);

Farm Credit System Financial Assistance Corporation, interest payments (20-1850-0-1-351);

Internal Revenue collections of Puerto Rico (20-5737-0-2-852);

Payments of Vietnam and USS Pueblo prisoner-of-war claims (15-0104-0-1-153);

Payments to copyright owners (03-5175-0-2-376);

Salaries of Article III judges (not including cost of living adjustments);

Soldier's and Airman's Home, payment of claims (84-8930-0-7-705);

Washington Metropolitan Area Transit Authority, interest payments (46-0300-0-1-401);

(10) the following noncredit special, revolving, or trust-revolving funds—

Exchange Stabilization Fund (20-4444-0-3-155); and

Foreign Military Sales trust fund (11-82232-0-7-155).

(j) **OPTIONAL EXEMPTION OF MILITARY PERSONNEL.**—

(1) The President may, with respect to any military personnel account, exempt that account from sequestration or provide for a lower uniform percentage reduction that would otherwise apply.

(2) The President may not use the authority provided by paragraph (1) unless he noti-

fies 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 full amount of any required reduction in payments under sections 455 and 458 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 455(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 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 with 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.

(2) **DAIRY PROGRAM.**—

(A) 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 in the United States and marketed by producers for commercial use.

(B) That price reduction (measured in cents per hundred-weight of milk marketed) shall occur under subparagraph (A) of section 201(d)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(2)(A)), shall begin on 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.

(3) **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).

(4) **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.

(c) **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 entire 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.

(d) **REGULAR AND EXTENDED UNEMPLOYMENT COMPENSATION.**—

(1) A State may reduce each weekly benefit payment made under the regular and extended unemployment benefit programs for any 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 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 3304(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 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 outlays resulting from claims paid after the sequestration order takes effect.

(f) **FEDERAL HOUSING FINANCE BOARD.**—Any sequestration of the Federal Housing 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 amounts equal to the uniform sequestration percentage for that year times the gross obligations of the Board in that year.

(g) **FEDERAL PAY.**—

(1) **IN GENERAL.**—New budget authority to pay Federal personnel from direct spending accounts 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 rate of pay to which any individual is entitled under any statutory pay system (as increased by any amount payable under section 5304 of title 5, United States Code, or any increase in rates of pay which is scheduled to take effect under section 5303 of title 5, United States Code, or any other provision of law.

(2) **DEFINITIONS.**—For purposes of this subsection—

(A) the term "statutory pay system" shall have the meaning given that term in section 5302(1) of title 5, United States Code; term "elements of military pay" means—

(i) the elements of compensation of members of the uniformed services specified in section 1009 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) cadet pay and midshipman pay under section 203(c) of such title; and

(C) the term "uniformed services" shall have the same meaning given that term in section 101(3) of title 37, United States Code.

(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 for services furnished after 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 considered to be furnished on the date of the individual's discharge from the inpatient facility.

(B) **PAYMENT ON THE BASIS OF COST REPORTING PERIODS.**—In the case in which payment 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 for the services during a cost reporting period of the provider, if a reduction is made in payment amounts pursuant to a sequestration order, the reduction shall be applied to payment for costs for such services 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 each such cost reporting

period) in the same proportion as the fraction of the cost reporting period that occurs after the effective date of the order.

(2) **NO INCREASE IN BENEFICIARY CHARGES IN ASSIGNMENT-RELATED CASES.**—If a reduction in payment amounts is made pursuant to a sequestration order for services for which payment under part B of title XVIII of the Social Security Act is made on the basis of an assignment described in section 1842(b)(3)(B)(ii), in accordance with section 1842(b)(6)(B), or under the procedure described in section 1870(f)(1) of such Act, the person furnishing the services shall be considered to have accepted payment of the reasonable charge for the services, less any reduction in payment amount made pursuant to a sequestration order, as payment in full.

(3) **PART B PREMIUMS.**—In computing the amount and method of sequestration from part B of 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 Medicare spending; and

(B) sequestration in the Part B program shall be accomplished by increasing premiums to beneficiaries.

(4) **NO EFFECT ON COMPUTATION OF AAPCC.**—In computing the adjusted average per capita cost for purposes of section 1876(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.

(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 Treasury, and the Postmaster General of the United States and shall have the duty to make 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 forgone 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. Within 30 days after the sequestration order is issued, the Postmaster General shall submit to the Postal Rate Commission a plan for financing the annual payment for that fiscal year and publish that plan in the Federal Register. The plan may assume efficiencies in the operation of the Postal Service, reductions in capital expenditures, increases in the prices of services, or any combination, but may not assume a lower Fund surplus or higher Fund deficit and shall follow the requirements of existing law governing the Postal Service in all other respects. Within 30 days of the receipt of that plan, the Postal Rate Commission shall approve the plan or modify it in the manner that modifications are allowed under current law. If the Postal Rate Commission does not respond to 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.

(j) **POWER MARKETING ADMINISTRATIONS AND T.V.A.**—Any sequestration of the Department of Energy power marketing administration funds or the Tennessee Valley Au-

thority fund shall be accomplished by annual payments from those funds to the General Fund of the Treasury, and the administrators of those funds shall have the duty to make those payments during the fiscal year to which the sequestration order applies and each succeeding fiscal year. The amount of each payment by a fund shall be—

(1) the direct spending uniform sequestration percentage, times

(2) the estimated gross obligations of the fund in that year other than those obligations financed from discretionary appropriations for 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 power (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 combination, but may not be financed by a lower fund surplus, a higher fund deficit, additional borrowing, delay in repayment of principal on outstanding debt and shall follow the requirements of existing law governing the fund in all other respects. The administrator of a fund or the TVA Board is authorized to take the actions specified in this subsection in order to make the annual payments to the Treasury.

(k) **BUSINESS-LIKE TRANSACTIONS.**—Notwithstanding any other provision of law, for programs which provide a business-like service in exchange for a fee, sequestration shall be accomplished through a uniform increase in fees (sufficient to produce the dollar savings in such programs for the fiscal year of the sequestration required by section 11201(a)(2)), all subsequent fees shall be increased by the same percentage, and all proceeds from such fees shall be paid into the general fund of the Treasury, in any year for which a sequester affecting such programs are in effect.

SEC. 11207. THE CURRENT LAW BASELINE.

(a) **SUBMISSION OF REPORTS.**—CBO and OMB shall submit to the President and the Congress reports setting forth the budget baselines for the budget year and the next nine fiscal years. The CBO report shall be submitted on or before January 15. The OMB report shall accompany the President's budget.

(b) **DETERMINATION OF THE BUDGET BASELINE.**—(1) The budget baseline shall be based on the common economic assumptions set forth in section 11106, adjusted to reflect revisions pursuant to subsection (c).

(2) The budget baseline shall consist of a projection of current year levels of budget authority, outlays, revenues and the surplus or deficit into the budget year and the relevant outyears based on current enacted laws as of the date of the projection.

(3) For discretionary spending items, the baseline shall be the spending caps in effect pursuant to section 601(a)(2) of the Congressional Budget Act of 1974. For years for which there are no caps, the baseline for discretionary spending shall be the same as the last year for which there were statutory caps.

(4) For all other expenditures and for revenues, the baseline shall be adjusted by comparing unemployment, inflation, interest rates, growth and other economic indicators and changes in eligible population for the most recent period for which actual data are available, compared to the assumptions contained in section 11106.

(c) **REVISIONS TO THE BASELINE.**—The baseline shall be adjusted for up-to-date economic assumptions when CBO submits its

Economic and Budget Update and when OMB submits its budget update, and by August 1 each year, when CBO and OBM 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 allocation to the appropriate committees of the House of Representatives and of the Senate and reserved for natural disasters and other emergency purposes.

(2) Such amount for each such fiscal year shall not be less than 1 percent of total budget authority and outlays available within those caps for that fiscal year.

(3) 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 in such request; and

(C) the projected obligations for unforeseen emergency needs exceed the 10-year rolling average annual expenditures for existing programs included in the Presidential request for the applicable fiscal year.

(4) 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 maintenance or any other category 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);

(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 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 assistance, and this clause 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 other Acts pursuant to which the President may declare a disaster or disasters and States and localities otherwise qualify for Federal disaster assistance; and

(C) a two-thirds vote in each House of Congress shall be required for each emergency to reduce or waive the State matching requirement of to forgive all or part of loans for the State matching share as required under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

(b) **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 procedure for releasing such funds for allocation to the appropriate committee. The amount withheld shall be equal to 1 percent of the total discretionary spending cap for fiscal year covered by the resolution, 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 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)(2)(D) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 or of section 11207 of the Balanced Budget Assurance Act of 1997 if it also provides an appropriation or direct spending for any other item or contains any other matter, but that bill or joint resolution, amendment, or conference report may contain rescissions of budget authority or reductions of direct spending, or that 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.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

POINT OF ORDER

Mr. THOMAS. Mr. Speaker, I rise to a point of order that the amendment is not germane to the bill.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. THOMAS. Mr. Speaker, the budget process provisions prospectively amend another bill; that is, H.R. 2014, the Revenue Reconciliation Act of 1997, specifically section 11204(c). It suspends provisions in the Internal Revenue Code that are added by H.R. 2014 and is, therefore, beyond the scope.

The SPEAKER pro tempore. Does the gentleman from Texas [Mr. STENHOLM] wish to be heard on the point of order?

Mr. STENHOLM. Yes, Mr. Speaker.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Speaker, in rising to speak to the point of order, I will couple it with a parliamentary inquiry. It was my understanding, since the item in question is the enforcement mechanisms of the budget, what this motion to recommit includes is the entire Minge-Barton amendment that was denied an opportunity to be on the floor under the rule.

In the colloquy that occurred this morning, it was my understanding, and at least my friends on the other side of the aisle who acceded to this, that this would eventually be heard in a sepa-

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 language 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 circumstance could it be possible for us to consider this at a later date?

The SPEAKER pro tempore. The Chair cannot anticipate what the conferees on this bill might do. 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 am very worried to have this amendment as part of the recommittal be 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. No, Mr. Speaker. We concede the point of order.

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 instructions is not germane to the bill. While the test of germaneness in this instance is measured against the bill as whole, the Chair notes that a portion of the amendment makes provisions of 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 RECOMMIT 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 read 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 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 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 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. 701 note; 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.), 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 payments and adoption assistance payments under part E of title IV of the Social Security Act (42 U.S.C. 670 et seq.)).

(2) EXPANDING OUTSTATIONING 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 only upon such terms and conditions as the Secretary specifies.

(d) ADMINISTRATION.—The Secretary may administer the grant program under this section through the identifiable 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 child health insurance program, or MediKids program, approved by the Secretary 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 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—

(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 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:

(1) 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 under section 1902(l)(2)(A) 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(l)(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 section 1902(l)(1)(D) of such Act of individuals under 19 years of age, regardless of date of birth.

(3) MAINTENANCE OF EFFORT.—

(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 manner that would have the effect of reducing the eligibility of children for coverage under such plan, and

(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 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.

(b) COVERAGE OF UNINSURED CHILDREN.—

(1) IN GENERAL.—A MediKids program shall not provide benefits 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 coverage, but may expend funds for outreach and other activities in order to promote coverage under such plans.

(2) CONSTRUCTION.—Nothing in this subsection shall be construed as requiring a MediKids plan of a State 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 equivalent items and services for which medical 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 forms of cost-sharing with respect to benefits under the program; 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 (including 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 other 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 program.

(3) NO COST SHARING FOR PREVENTIVE SERVICES.—A MediKids program may not impose deductibles, coinsurance, copayments, or similar cost sharing for preventive services.

SEC. 3523. PAYMENT AMOUNTS.

(a) TOTAL AMOUNT AVAILABLE.—

(1) 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 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 aggregate additional Federal expenditures under made title XIX of the Social Security Act during the fiscal year that the Secretary estimates, before the beginning of the fiscal year, is attributable to imposition of the conditions described in section 3522(a). 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) 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) ADJUSTMENT TO REFLECT ACTUAL EXPENDITURES.—After the end of each fiscal year, the Secretary shall determine the actual amount of the additional Federal expenditures described in subparagraph (A) for the fiscal year. The Secretary shall adjust the amount otherwise specified under subparagraph (A) for subsequent years to take into account the amount by which the amounts estimated for previous fiscal years under such subparagraph were greater, or less than, the actual amount of the expenditures for such years.

(b) ALLOTMENT AMONG STATES.—

(1) 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.

(2) 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.

(3) CARRYFORWARD.—If the Secretary does not pay to a State under subsection (c) in a fiscal year the amount of its allotment in that fiscal year under this subsection, the amount of its allotment under this subsection for the succeeding fiscal year shall be increased by the amount of such shortfall.

(c) PAYMENTS.—

(1) 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.

(2) NOT COUNTING COST SHARING.—For purposes of paragraph (1), if a MediKids program imposes premiums for coverage or requires payment of deductibles, coinsurance, copayments, or other cost sharing, under rules of the Secretary, expenditures attributable 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 "child" means an individual under 19 years of age.

(2) The term "medicaid plan" means the plan of medical assistance of a State under title XIX of the Social Security Act.

(3) The term "MediKids program" means a child health insurance program of a State under this title.

(4) The term "near poverty level child" means a child the family income of which (as defined by the Secretary) is at least 100 percent, but less than 300 percent, of the poverty line.

(5) The term "poverty line" has the meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section.

(6) The term "qualifying State" means a State with a MediKids program for which a plan is submitted and approved under this title.

(7) The term "Secretary" means the Secretary of Health and Human Services.

(8) 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 ELIGIBILITY FOR DISABLED CHILDREN WHO LOSE SSI BENEFITS

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 "(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 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.

CHAPTER 4—ASSURING CHILDREN'S ACCESS TO HEALTH INSURANCE

SEC. 3541. 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 INDIVIDUAL HEALTH INSURANCE COVERAGE TO UNINSURED CHILDREN.

"(a) GUARANTEED AVAILABILITY.—

"(1) IN GENERAL.—Subject to the succeeding 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)) desiring to enroll in individual health insurance coverage—

"(A) may not decline to offer such coverage to, or deny enrollment of, such child;

"(B) either (i) does not impose any preexisting condition exclusion (as defined in section 2701(b)(1)(A)) with respect to such coverage, or (ii) imposes such a preexisting condition exclusion only to the extent such an exclusion may be imposed under section 2701(a) in the case of an individual who is not a late enrollee; and

"(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 such 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 2744.

"(b) ELIGIBLE CHILD DEFINED.—In this part, the term 'eligible child' means an individual born after September 30, 1983, who has not attained 19 years of age and—

"(1) who 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 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 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 premiums or fraud).

For purposes of paragraph (2)(A), the term 'group health plan' does not include COBRA continuation coverage.

"(c) INCORPORATION OF CERTAIN PROVISIONS.—

"(1) 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 under section 2741(a).

"(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)(D); and

"(C) any deadline specified in such section shall be 1 year after the deadline otherwise specified."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take apply 1 year after the effective date for section 2741 of the Public Health Service Act (as provided under section 111(b)(1) of the Health Insurance Portability and Accountability Act of 1996).

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.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, the Republican children's health care expansion proposal in the Budget Reconciliation Act before us today will not ensure real health insurance coverage for the maximum number of children in the most cost-effective manner. I am deeply concerned because the Republican plan does not offer a real guarantee of health care coverage for children or a real benefits package.

The Republican block grant contains a so-called direct services loophole which could mean that not a single taxpayer penny is used to provide 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 instead providing direct payments to hospitals who will suffer under the disproportionate share cuts in this bill. Just as many States misused the DSH program in the early 1990s to pay for highway repairs and other related programs, I fear that States will use these Federal 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 gentleman from Michigan [Mr. DINGELL], the gentlewoman from New Jersey [Mrs. 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, establish a State grant program to fund innovative kids' health initiatives 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. Speaker, I yield to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I want to commend my colleague for what he said about the reason we need to propose this Democratic alternative is because the Republicans have offered just a straight block grant. It does not mandate that these funds go to the children who need it. It gives too much discretion to the Governors who might use this money to fund other huge gaps created by this bill, like the unfair cuts to disproportionate share hospitals also known as DSH hospitals.

The Democratic Health Care Task Force has a plan, an alternative that contains four elements:

First, incentives for States to cover children under 19 years of age in families with less than \$24,000 in income and pregnant women and infants in families with incomes up to \$30,000 through an enhanced Medicaid match.

Second, we have a Medikids grant for States to help middle- and low-income families to purchase private insurance or participate in a State-sponsored expanded Medicaid package.

Third, we improve outreach efforts to ensure that nearly 3 million children eligible for Medicaid that are not enrolled in the program sign up for health insurance coverage.

And, fourth, insurance reforms to require private insurance companies to provide health care policies for children at reasonable premiums.

This four-pronged approach takes what we feel are the most positive aspects in Medicaid matching grants and private insurance reforms. It assists middle- and low-income families by providing affordable health insurance for their children. It assures that children are covered by an adequate benefits package and it provides that proper balance of State flexibility with public accountability.

I urge my colleagues to support the motion to recommit so that this House has a real opportunity to address the needs of the 10 million uninsured children in our country.

The SPEAKER pro tempore. Does any Member rise in opposition to the motion to recommit?

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 not live up to the budget agreement.

Mr. Speaker, 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 Committee on Commerce, 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 Medicare 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 would 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 them. 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 addition, 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. HASTERT. Mr. Speaker, bigger government, more bureaucrats, more restrictions on the States. As a matter of fact, we create more loopholes for the States to jump through and what we do is deny the States providing kid care for kids. So those 2.6 million children who were going to benefit from this program all of a sudden will not have States providing health care for them.

□ 1730

Too much bureaucracy, too much extra cost, too many new hoops to jump through. The States are not going to do it. The States are not going to follow this. And I think it is a bad idea at a bad time.

The SPEAKER pro tempore (Mr. DREIER). All time has expired.

PARLIAMENTARY INQUIRY

Mr. BROWN of Ohio. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. BROWN of Ohio. Mr. Speaker, is the language to which the gentleman from California [Mr. THOMAS] and the gentleman from Illinois [Mr. HASTERT] and the gentleman from Virginia [Mr. BLILEY] are referring the State optional program on the—

The SPEAKER pro tempore. The gentleman is not presenting a parliamentary inquiry.

Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. BROWN of Ohio. 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 207, nays 223, not voting 4, as follows:

[Roll No. 240]

YEAS—207

Abercrombie	Brown (FL)	DeLauro
Ackerman	Brown (OH)	Dellums
Allen	Capps	Deutsch
Andrews	Cardin	Dicks
Baesler	Carson	Dingell
Baldacci	Clay	Dixon
Barclay	Clayton	Doggett
Barrett (WI)	Clement	Dooley
Becerra	Clyburn	Doyle
Bentsen	Condit	Edwards
Berman	Conyers	Engel
Berry	Costello	Eshoo
Bishop	Coyne	Etheridge
Blagojevich	Cramer	Evans
Blumenauer	Cummlings	Farr
Bonior	Danner	Fattah
Borski	Davis (FL)	Fazio
Boswell	Davis (IL)	Filner
Boucher	DeFazio	Flake
Boyd	DeGette	Foglietta
Brown (CA)	Delahunt	Ford

Frank (MA) Maloney (CT) Rodriguez
 Frost Maloney (NY) Roemer
 Furse Manton Rothman
 Gejdenson Markey Roybal-Allard
 Gephardt Martinez Rush
 Gonzalez Mascara Sabo
 Goode Matsui Sanchez
 Gordon McCarthy (MO) Sanders
 Green McCarthy (NY) Sandlin
 Gutierrez McDermott Sawyer
 Hall (OH) McGovern Schumer
 Hall (TX) McHale Scott
 Hamilton McIntyre Serrano
 Harman McKinney Sherman
 Hastings (FL) McNulty Siskisky
 Hefner Meehan Skaggs
 Hilliard Meek Skelton
 Hinchey Menendez Slaughter
 Hinojosa Millender Smith, Adam
 Holden McDonald Spratt
 Hooley Miller (CA) Stabenow
 Hoyer Minge Stark
 Jackson (IL) Mink Stenholm
 Jackson-Lee Moakley Mollohan
 (TX) Mollohan Stokes
 Jefferson Moran (VA) Strickland
 John Murtha Stupak
 Johnson (WI) Nadler Tanner
 Johnson, E. B. Neal Tauscher
 Kanjorski Oberstar Taylor (MS)
 Kaptur Obey Thompson
 Kennedy (MA) Olver Thurman
 Kennedy (RI) Ortiz Tierney
 Kennelly Owens Torres
 Kildee Pallone Towns
 Kilpatrick Pascrell Traficant
 Kind (WI) Pastor Turner
 Kleczka Payne Velazquez
 Klink Pelosi Vento
 Kucinich Peterson (MN) Visclosky
 LaFalce Pickett Waters
 Lampson Pomeroy Watt (NC)
 Lantos Poshard Waxman
 Levin Price (NC) Wexler
 Lewis (GA) Rahall Weygand
 Lipinski Rangel Wise
 Lofgren Reyes Woolsey
 Lowey Riggs Wynn
 Luther Rivers

NAYS—223

Aderholt Deal Houghton
 Archer DeLay Hulshof
 Arme Diaz-Balart Hunter
 Bachus Dickey Hutchinson
 Baker Doolittle Hyde
 Ballenger Dreier Inglls
 Barr Duncan Istook
 Barrett (NE) Dunn Jenkins
 Bartlett Ehlers Johnson (CT)
 Barton Ehrlich Johnson, Sam
 Bass Emerson Jones
 Bateman English Kasich
 Bereuter Ensign Kelly
 Bilbray Everett Kim
 Billrakis Ewing Kling (NY)
 Bliley Fawell Kingston
 Blunt Klug Knollenberg
 Boehlert Forbes Knollenberg
 Boehner Fowler Koibe
 Bonilla Fox LaHood
 Bono Franks (NJ) Largent
 Brady Frelinghuysen Latham
 Bryant Gallegly LaTourette
 Bunning Ganske Lazlo
 Burr Gekas Leach
 Burton Gibbons Lewis (CA)
 Buyer Gilchrist Lewis (KY)
 Callahan Gillmor Linder
 Calvert Gilman Livingston
 Camp Goodlatte LoBlondo
 Campbell Goodling Lucas
 Canady Goss Manzullo
 Cannon Graham McCollum
 Castle Granger McCrery
 Chabot Greenwood McDade
 Chambliss Gutknecht McHugh
 Christensen Hansen McClnns
 Coble Hastert McIntosh
 Coburn Hastings (WA) McKeon
 Collins Hayworth Metcalf
 Combest Hefley Mica
 Cook Herger Miller (FL)
 Cooksey Hill Molinari
 Crane Hillery Moran (KS)
 Crapo Hobson Morella
 Cubin Hoekstra Myrick
 Cunningham Horn Nethercutt
 Davis (VA) Hostettler Neumann

Ney Northup Rohrabacher
 Northup Ros-Lehtinen Spence
 Norwood Roukema Stearns
 Nussle Royce Stump
 Oxley Ryan Sununu
 Packard Salmon Taltent
 Pappas Sanford Tautzn
 Parker Saxton Taylor (NC)
 Paul Scarborough Thomas
 Paxon Schaefer, Dan Thorneberry
 Pease Schaffer, Bob Thune
 Peterson (PA) Sensenbrenner Tiahrt
 Petri Sessions Upton
 Pickering Shadegg Walsh
 Pitts Shaw Wamp
 Pombo Shays Watkins
 Porter Shimkus Watts (OK)
 Portman Shuster Weldon (FL)
 Pryce (OH) Skeen Weldon (PA)
 Quinn Smith (MI) Weller
 Radanovich Smith (NJ) White
 Radstad Smith (OR) Whitfield
 Redmond Smith (TX) Wicker
 Regula Smith, Linda Wolf
 Riley Snowbarger Young (AK)
 Rogan Solomon Young (FL)
 Rogers Souder

NOT VOTING—4

Chenoweth Schiff
 Cox Yates

□ 1748

Mr. HOSTETTLER and Mr. LARGENT changed their vote from "yea" to "nay."

Mr. LIPINSKI and Ms. WOOLSEY changed their vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. DREIER). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

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—ayes 270, noes 162, not voting 3, as follows:

[Roll No. 241]

AYES—270

Aderholt Callahan Doolittle
 Archer Calvert Doyle
 Arme Camp Dreier
 Bachus Campbell Duncan
 Baesler Canady Dunn
 Baker Cannon Edwards
 Ballenger Capps Ehlers
 Barcia Castle Ehrlich
 Barr Chabot Emerson
 Barrett (NE) Chambliss English
 Bartlett Chenoweth Ensign
 Barton Christensen Etheridge
 Bass Clement Everett
 Bateman Coble Ewing
 Bentsen Coburn Fawell
 Bereuter Collins Foley
 Bilbray Combest Forbes
 Billrakis Condit Fowler
 Bishop Cook Fox
 Bliley Cooksey Franks (NJ)
 Blunt Cramer Frelinghuysen
 Boehlert Crane Gallegly
 Boehner Crapo Ganske
 Bonilla Cubin Gekas
 Bono Cunningham Gibbons
 Boswell Danner Gilchrist
 Boyd Davis (FL) Gillmor
 Brady Davis (VA) Gilman
 Bryant Deal Gingrich
 Bunning DeLay Goode
 Burr Diaz-Balart Goodlatte
 Burton Dickey Goodling
 Buyer Dooley Gordon

Goss Graham Maloney (CT) Saxton
 Granger Martinez Manzullo Scarborough
 Greenwood Martinez Manulnez Schaefer, Dan
 Gutknecht McCarthy (MO) Schaffer, Bob
 Hall (OH) McCollum Sensenbrenner
 Hamilton McCrery Sessions
 McHale McDade Shadegg
 Harman Hansen Shaw
 Hastert McHugh Shays
 Hastings (WA) McClnns Shimkus
 Hayworth McKeon McIntyre Shuster
 Hefley Mica Miller (FL) Siskisky
 Herger Hill Miller (FL) Skelton
 Hill Minge Smith (MI)
 Hilleary Molinari Smith (NJ)
 Hobson Moran (VA) Smith (OR)
 Hoekstra Morella Smith (TX)
 Holden Myrick Smith, Adam
 Hooley Nethercutt Smith, Linda
 Horn Neumann Snowbarger
 Hostettler Ney Snyder
 Houghton Northup Solomon
 Hulshof Norwood Souder
 Hunter Nussle Spence
 Hutchinson Oxley Spratt
 Hyde Packard Stenholm
 Inglls Pappas Stump
 Istook Parker Sununu
 Jenklns Paxon Talent
 John Pease Tanner
 Johnson (CT) Peterson (PA) Tauscher
 Johnson, Sam Petri Taylor (MS)
 Jones Kasich Taylor (NC)
 Kelly Thomas
 Kennelly Pomeroy Thornberry
 Kim Porter Thune
 Kingston Portman Thurman
 Kleczka Pryce (OH) Tiahrt
 Klug Quinn Traficant
 Knollenberg Radanovich Turner
 Kolbe Ramstad Upton
 LaHood Redmond Visclosky
 Lampson Regula Walsh
 Largent Riggs Wamp
 Latham Riley Watkins
 LaTourette Roemer Watts (OK)
 Lazlo Rogan Weldon (FL)
 Leach Rogers Weldon (PA)
 Lewis (CA) Rohrabacher Weller
 Lewis (KY) Ros-Lehtinen White
 Linder Roukema Whitfield
 Livingston Royce Wicker
 LoBlondo Ryan Wolf
 Lucas Sanchez Young (AK)
 Luther Sanford Young (FL)

NOES—162

Abercrombie Farr
 Ackerman Fattah Lewis (GA)
 Allen Fazlo Lipinski
 Andrews Filner Lofgren
 Baldacci Flake Lowey
 Barrett (WI) Foglietta Maloney (NY)
 Becerra Ford Manton
 Berman Frank (MA) Markey
 Berry Frost Mascara
 Blagojevich Furse Matsui
 Blumenauer Gejdenson McCarthy (NY)
 Bonior Borski Gonzalez McDermott
 Boucher Green McGovern
 Brown (CA) Gutierrez McIntosh
 Brown (FL) Hall (TX) McKinney
 Brown (OH) McNulty
 Cardin Hastings (FL) McNulty
 Carson Hefner Meehan
 Clay Hilliard Meek
 Clayton Hillery Menendez
 Clyburn Hinchey Metcalf
 Conyers Hinojosa Millender-
 Costello Hoyer McDonald
 Coyne Jackson (IL) Miller (CA)
 Cummings Jackson-Lee Mink
 Davis (IL) (TX) Moakley
 DeFazio Jefferson Mollohan
 DeGette Johnson (WI) Moran (KS)
 Delahunt Johnson, E. B. Murtha
 DeLauro Kanjorski Nadler
 Dellums Kaptur Neal
 Deutsch Kennedy (MA) Oberstar
 Dicks Kennedy (RI) Obey
 Dingell Jefferson Olver
 Dixon King (NY) Ortiz
 Doggett Klink Owens
 Engel Kucinich Pallone
 Eshoo LaFalce Pascrell
 Evans Lantos Payne

Pelosi	Sanders	Thompson
Peterson (MN)	Sandlin	Tierney
Pickett	Sawyer	Torres
Poshard	Schumer	Towns
Price (NC)	Scott	Velazquez
Rahall	Serrano	Vento
Rangel	Sherman	Waters
Reyes	Skaggs	Watt (NC)
Rivers	Slaughter	Waxman
Rodriguez	Stabenow	Wexler
Rothman	Stark	Weygand
Roybal-Allard	Stearns	Wise
Rush	Stokes	Woolsey
Sabo	Strickland	Wynn
Salmon	Stupak	

NOT VOTING—3

Cox	Schiff	Yates
-----	--------	-------

□ 1809

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.

105TH CONGRESS
1ST SESSION

H. R. 2015

IN THE SENATE OF THE UNITED STATES

JUNE 25, 1997

Received

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 Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

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

4 **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.

181

20 **TITLE IV—COMMITTEE ON**
21 **COMMERCE—MEDICARE**

401

10 **Subtitle D—Anti-Fraud and Abuse**
11 **Provisions**

415

17 **SEC. 4308. PROVISION OF CERTAIN IDENTIFICATION NUM-**
18 **BERS.**

19 (a) **REQUIREMENTS TO DISCLOSE EMPLOYER IDEN-**
20 **TIFICATION NUMBERS (EINS) AND SOCIAL SECURITY AC-**
21 **COUNT NUMBERS (SSNs).—Section 1124(a)(1) (42**
22 **U.S.C. 1320a–3(a)(1)) is amended by inserting before the**
23 **period at the end the following: “and supply the Secretary**
24 **with the both the employer identification number (as-**
25 **signed pursuant to section 6109 of the Internal Revenue**

1 Code of 1986) and social security account number (as-
2 signed under section 205(c)(2)(B)) of the disclosing en-
3 tity, each person with an ownership or control interest (as
4 defined in subsection (a)(3)), and any subcontractor in
5 which the entity directly or indirectly has a 5 percent or
6 more ownership interest. Use of the social security account
7 number under this section shall be limited to identity ver-
8 ification and identity matching purposes only. The social
9 security account number shall not be disclosed to any per-
10 son or entity other than the Secretary, the Social Security
11 Administration, or the Secretary of the Treasury, In ob-
12 taining the social security account numbers of the disclos-
13 ing entity and other persons described in this section, the
14 Secretary shall comply with section 7 of the Privacy Act
15 of 1974 (5 U.S.C. 552a note)".

16 (b) OTHER MEDICARE PROVIDERS.—Section 1124A
17 (42 U.S.C. 1320a–3a) is amended—

18 (1) in subsection (a)—

19 (A) by striking “and” at the end of para-
20 graph (1);

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

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

1 “(3) including the employer identification num-
2 ber (assigned pursuant to section 6109 of the Inter-
3 nal Revenue Code of 1986) and social security ac-
4 count number (assigned under section 205(c)(2)(B))
5 of the disclosing part B provider and any person,
6 managing employee, or other entity identified or de-
7 scribed under paragraph (1) or (2).”; and

8 (2) in subsection (c) by inserting “(or, for pur-
9 poses of subsection (a)(3), any entity receiving pay-
10 ment)” after “on an assignment-related basis”.

11 (c) VERIFICATION BY SOCIAL SECURITY ADMINIS-
12 TRATION (SSA).—Section 1124A (42 U.S.C. 1320a-3a)
13 is amended—

14 (1) by redesignating subsection (c) as sub-
15 section (d); and

16 (2) by inserting after subsection (b) the follow-
17 ing new subsection:

18 “(c) VERIFICATION.—

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

21 “(A) to the Commissioner of Social Secu-
22 rity information concerning each social security
23 account number (assigned under section
24 205(c)(2)(B)), and

1 “(B) to the Secretary of the Treasury in-
2 formation concerning each employer identifica-
3 tion number (assigned pursuant to section 6109
4 of the Internal Revenue Code of 1986),
5 supplied to the Secretary pursuant to subsection
6 (a)(3) or section 1124(c) to the extent necessary for
7 verification of such information in accordance with
8 paragraph (2).

9 “(2) VERIFICATION.—The Commissioner of So-
10 cial Security and the Secretary of the Treasury shall
11 verify the accuracy of, or correct, the information
12 supplied by the Secretary to such official pursuant
13 to paragraph (1), and shall report such verifications
14 or corrections to the Secretary.

15 “(3) FEES FOR VERIFICATION.—The Secretary
16 shall reimburse the Commissioner and Secretary of
17 the Treasury, at a rate negotiated between the Sec-
18 retary and such official, for the costs incurred by
19 such official in performing the verification and cor-
20 rection services described in this subsection.”.

21 (d) REPORT.—Before this subsection shall be effec-
22 tive, the Secretary of Health and Human Services shall
23 submit to Congress a report on steps the Secretary has
24 taken to assure the confidentiality of social security ac-
25 count numbers that will be provided to the Secretary

1 under the amendments made by this section. If Congress
2 determines that the Secretary has not taken adequate
3 steps to assure the confidentiality of social security ac-
4 count numbers to be provided to the Secretary under the
5 amendments made by this section, the amendments made
6 by this section shall not take effect.

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

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

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

9 **TITLE IX—COMMITTEE ON WAYS**
 10 **AND MEANS—NONMEDICARE**

11 **SEC. 9000. TABLE OF CONTENTS.**

12 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.

1 **Subtitle B—Supplemental Security**
2 **Income**

3 **SEC. 9101. REQUIREMENT TO PERFORM CHILDHOOD DIS-**
4 **ABILITY REDETERMINATIONS IN MISSED**
5 **CASES.**

6 Section 211(d)(2) of the Personal Responsibility and
7 Work Opportunity Reconciliation Act of 1996 (110 Stat.
8 2190) is amended—

9 (1) in subparagraph (A)—

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

12 (B) by inserting after the 1st sentence the
13 following: “Any redetermination required by the
14 preceding sentence that is not performed before
15 the end of the period described in the preceding
16 sentence shall be performed as soon as is prac-
17 ticable thereafter.”; and

18 (2) in subparagraph (C), by adding at the end
19 the following: “Before commencing a redetermina-
20 tion under the 2nd sentence of subparagraph (A), in
21 any case in which the individual involved has not al-
22 ready been notified of the provisions of this para-
23 graph, the Commissioner of Social Security shall no-
24 tify the individual involved of the provisions of this
25 paragraph.”.

1 **SEC. 9102. REPEAL OF MAINTENANCE OF EFFORT RE-**
2 **QUIREMENTS APPLICABLE TO OPTIONAL**
3 **STATE PROGRAMS FOR SUPPLEMENTATION**
4 **OF SSI BENEFITS.**

5 Section 1618 of the Social Security Act (42 U.S.C.
6 1382g) is repealed.

7 **SEC. 9103. FEES FOR FEDERAL ADMINISTRATION OF STATE**
8 **SUPPLEMENTARY PAYMENTS.**

9 (a) **FEE SCHEDULE.—**

10 (1) **OPTIONAL STATE SUPPLEMENTARY PAY-**
11 **MENTS.—**

12 (A) **IN GENERAL.—**Section 1616(d)(2)(B)
13 of the Social Security Act (42 U.S.C.
14 1382e(d)(2)(B)) is amended—

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

17 (ii) by striking clause (iv) and insert-
18 ing the following:

19 “(iv) for fiscal year 1997, \$5.00;

20 “(v) for fiscal year 1998, \$6.20;

21 “(vi) for fiscal year 1999, \$7.60;

22 “(vii) for fiscal year 2000, \$7.80;

23 “(viii) for fiscal year 2001, \$8.10;

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

25 “(x) for fiscal year 2003 and each succeeding
26 fiscal year—

1 “(I) the applicable rate in the preceding
2 fiscal year, increased by the percentage, if any,
3 by which the Consumer Price Index for the
4 month of June of the calendar year of the in-
5 crease exceeds the Consumer Price Index for
6 the month of June of the calendar year preced-
7 ing the calendar year of the increase, and
8 rounded to the nearest whole cent; or

9 “(II) such different rate as the Commis-
10 sioner determines is appropriate for the State.”.

11 (B) CONFORMING AMENDMENT.—Section
12 1616(d)(2)(C) of such Act (42 U.S.C.
13 1382e(d)(2)(C)) is amended by striking
14 “(B)(iv)” and inserting “(B)(x)(II)”.

15 (2) MANDATORY STATE SUPPLEMENTARY PAY-
16 MENTS.—

17 (A) IN GENERAL.—Section
18 212(b)(3)(B)(ii) of Public Law 93-66 (42
19 U.S.C. 1382 note) is amended—

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

22 (ii) by striking subclause (IV) and in-
23 serting the following:

24 “(IV) for fiscal year 1997, \$5.00;

25 “(V) for fiscal year 1998, \$6.20;

1 “(VI) for fiscal year 1999, \$7.60;
 2 “(VII) for fiscal year 2000, \$7.80;
 3 “(VIII) for fiscal year 2001, \$8.10;
 4 “(IX) for fiscal year 2002, \$8.50; and
 5 “(X) for fiscal year 2003 and each succeeding
 6 fiscal year—

7 “(aa) the applicable rate in the preceding
 8 fiscal year, increased by the percentage, if any,
 9 by which the Consumer Price Index for the
 10 month of June of the calendar year of the in-
 11 crease exceeds the Consumer Price Index for
 12 the month of June of the calendar year preced-
 13 ing the calendar year of the increase, and
 14 rounded to the nearest whole cent; or

15 “(bb) such different rate as the Commis-
 16 sioner determines is appropriate for the State.”.

17 (B) CONFORMING AMENDMENT.—Section
 18 212(b)(3)(B)(iii) of such Act (42 U.S.C. 1382
 19 note) is amended by striking “(ii)(IV)” and in-
 20 sserting “(ii)(X)(bb)”.

21 (b) USE OF NEW FEES TO DEFRAY THE SOCIAL SE-
 22 CURITY ADMINISTRATION’S ADMINISTRATIVE EX-
 23 PENSES.—

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

1 (A) OPTIONAL STATE SUPPLEMENTARY
2 PAYMENT FEES.—Section 1616(d)(4) of the So-
3 cial Security Act (42 U.S.C. 1382e(d)(4)) is
4 amended to read as follows:

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

9 “(B) That portion of each administration fee in ex-
10 cess of \$5, and 100 percent of each additional services
11 fee charged pursuant to paragraph (3), upon collection for
12 fiscal year 1998 and each subsequent fiscal year, shall be
13 credited to a special fund established in the Treasury of
14 the United States for State supplementary payment fees.
15 The amounts so credited, to the extent and in the amounts
16 provided in advance in appropriations Acts, shall be avail-
17 able to defray expenses incurred in carrying out this title
18 and related laws.”.

19 (B) MANDATORY STATE SUPPLEMENTARY
20 PAYMENT FEES.—Section 212(b)(3)(D) of Pub-
21 lic Law 93-66 (42 U.S.C. 1382 note) is amend-
22 ed to read as follows:

23 “(D)(i) The first \$5 of each administration fee as-
24 sessed pursuant to subparagraph (B), upon collection,

1 shall be deposited in the general fund of the Treasury of
2 the United States as miscellaneous receipts.

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

14 (2) LIMITATIONS ON AUTHORIZATION OF AP-
15 PROPRIATIONS.—From amounts credited pursuant
16 to section 1616(d)(4)(B) of the Social Security Act
17 and section 212(b)(3)(D)(ii) of Public Law 93–66 to
18 the special fund established in the Treasury of the
19 United States for State supplementary payment
20 fees, there is authorized to be appropriated an
21 amount not to exceed \$35,000,000 for fiscal year
22 1998, and such sums as may be necessary for each
23 fiscal year thereafter.

11 **Subtitle D—Restricting Welfare**
12 **and Public Benefits for Aliens**

13 **SEC. 9301. EXTENSION OF ELIGIBILITY PERIOD FOR REFU-**
14 **GEEES AND CERTAIN OTHER QUALIFIED**
15 **ALIENS FROM 5 TO 7 YEARS FOR SSI AND**
16 **MEDICAID.**

17 (a) SSI.—Section 402(a)(2)(A) of the Personal Re-
18 sponsibility and Work Opportunity Reconciliation Act of
19 1996 (8 U.S.C. 1612(a)(2)(A)) is amended to read as fol-
20 lows:

21 “(A) TIME-LIMITED EXCEPTION FOR REF-

22 UGEES AND ASYLEES.—

23 “(i) SSI.—With respect to the speci-

24 fied Federal program described in para-

1 graph (3)(A) paragraph 1 shall not apply
2 to an alien until 7 years after the date—

3 “(I) an alien is admitted to the
4 United States as a refugee under sec-
5 tion 207 of the Immigration and Na-
6 tionality Act;

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

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

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

17 “(I) an alien is admitted to the
18 United States as a refugee under sec-
19 tion 207 of the Immigration and Na-
20 tionality Act;

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

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

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

5 “(A) TIME-LIMITED EXCEPTION FOR REF-
6 UGEES AND ASYLEES.—

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

12 “(I) an alien is admitted to the
13 United States as a refugee under sec-
14 tion 207 of the Immigration and Na-
15 tionality Act;

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

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

21 “(ii) OTHER DESIGNATED FEDERAL
22 PROGRAMS.—With respect to the des-
23 ignated Federal programs under paragraph
24 (3) (other than subparagraph (C)), para-

1 graph 1 shall not apply to an alien until 5
2 years after the date—

3 “(I) an alien is admitted to the
4 United States as a refugee under sec-
5 tion 207 of the Immigration and Na-
6 tionality Act;

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

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

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

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

18 “(E) ALIENS RECEIVING SSI ON AUGUST
19 22, 1996.—With respect to eligibility for bene-
20 fits for the program defined in paragraph
21 (3)(A) (relating to the supplemental security in-
22 come program), paragraph (1) shall not apply
23 to an alien who was receiving such benefits on
24 August 22, 1996.”.

1 (b) STATUS OF CUBAN AND HAITIAN ENTRANTS AND
2 AMERASIAN PERMANENT RESIDENT ALIENS.—For pur-
3 poses of section 402(a)(2)(E) of the Personal Responsibil-
4 ity and Work Opportunity Reconciliation Act of 1996, the
5 following aliens shall be considered qualified aliens:

6 (1) An alien who is a Cuban and Haitian en-
7 trant as defined in section 501(e) of the Refugee
8 Education Assistance Act of 1980.

9 (2) An alien admitted to the United States as
10 an Amerasian immigrant pursuant to section 584 of
11 the Foreign Operations, Export Financing, and Re-
12 lated Programs Appropriations Act, 1988, as con-
13 tained in section 101(e) of Public Law 100-202,
14 (other than an alien admitted pursuant to section
15 584(b)(1)(C)).

16 (c) CONFORMING AMENDMENTS.—Section
17 402(a)(2)(D) of the Personal Responsibility and Work Op-
18 portunity Reconciliation Act of 1996 (8 U.S.C.
19 1612(a)(D)) is amended—

20 (1) by striking clause (i);

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

23 (3) by striking “(ii) FOOD STAMPS’.—”;

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

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

4 Section 402(a)(2) of the Personal Responsibility and
5 Work Opportunity Reconciliation Act of 1996 (8 U.S.C.
6 1612(a)(2)) (as amended by section 9302) is amended by
7 adding after subparagraph (E) the following new subpara-
8 graph:

9 “(F) PERMANENT RESIDENT ALIENS WHO
10 ARE MEMBERS OF AN INDIAN TRIBE.—With re-
11 spect to eligibility for benefits for the program
12 defined in paragraph (3)(A) (relating to the
13 supplemental security income program), para-
14 graph (1) shall not apply to an alien who—

15 “(i) is lawfully admitted for perma-
16 nent residence under the Immigration and
17 Nationality Act; and

18 “(ii) is a member of an Indian tribe
19 (as defined in section 4(e) of the Indian
20 Self-Determination and Education Assist-
21 ance Act).”.

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

24 (a) IN GENERAL.—The Personal Responsibility and
25 Work Opportunity Reconciliation Act of 1996 is amended
26 by adding after section 412 the following new section:

1 **“SEC. 413. AUTHORIZATION FOR VERIFICATION OF ELIGI-**
2 **BILITY FOR STATE AND LOCAL PUBLIC BENE-**
3 **FITS.**

4 “A State or political subdivision of a State is author-
5 ized to require an applicant for State and local public ben-
6 efits (as defined in section 411(e)) to provide proof of eli-
7 gibility.”.

8 (b) CLERICAL AMENDMENT.—Section 2 of the Per-
9 sonal Responsibility and Work Opportunity Reconciliation
10 Act of 1996 is amended by adding after the item related
11 to section 412 the following:

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

12 **SEC. 9305. DERIVATIVE ELIGIBILITY FOR BENEFITS.**

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

16 **“SEC. 436. DERIVATIVE ELIGIBILITY FOR BENEFITS.**

17 “(a) FOOD STAMPS.—Notwithstanding any other
18 provision of law, an alien who under the provisions of this
19 title is ineligible for benefits under the food stamp pro-
20 gram (as defined in section 402(a)(3)(A)) shall not be eli-
21 gible for such benefits because the alien receives benefits
22 under the supplemental security income program (as de-
23 fined in section 402(a)(3)(B)).

1 “(b) **MEDICAID.**—Notwithstanding any other provi-
2 sion of this title, an alien who under the provisions of this
3 title is ineligible for benefits under the medicaid program
4 (as defined in section 402(b)(3)(C)) shall be eligible for
5 such benefits if the alien is receiving benefits under the
6 supplemental security income program and title XIX of
7 the Social Security Act provides for such derivative eligi-
8 bility.”.

9 (b) **CLERICAL AMENDMENT.**—Section 2 of the Per-
10 sonal Responsibility and Work Opportunity Reconciliation
11 Act of 1996 is amended by adding after the item related
12 to section 435 the following:

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

13 **SEC. 9306. EFFECTIVE DATE.**

14 Except as otherwise provided, the amendments made
15 by this subtitle shall be effective as if included in the en-
16 actment of title IV of the Personal Responsibility and
17 Work Opportunity Reconciliation Act of 1996.

1 **TITLE X—COMMITTEE ON WAYS**
 2 **AND MEANS—MEDICARE**

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

6 (a) **AMENDMENTS TO SOCIAL SECURITY ACT.**—Ex-
 7 cept as otherwise specifically provided, whenever in this
 8 title an amendment is expressed in terms of an amend-
 9 ment to or repeal of a section or other provision, the ref-
 10 erence shall be considered to be made to that section or
 11 other provision of the Social Security Act.

12 (b) **REFERENCES TO OBRA.**—In this title, the terms
 13 “OBRA–1986”, “OBRA–1987”, “OBRA–1989”,
 14 “OBRA–1990”, and “OBRA–1993” refer to the Omnibus
 15 Budget Reconciliation Act of 1986 (Public Law 99–509),
 16 the Omnibus Budget Reconciliation Act of 1987 (Public
 17 Law 100–203), the Omnibus Budget Reconciliation Act
 18 of 1989 (Public Law 101–239), the Omnibus Budget Rec-
 19 onciliation Act of 1990 (Public Law 101–508), and the
 20 Omnibus Budget Reconciliation Act of 1993 (Public Law
 21 103–66), respectively.

22 (c) **TABLE OF CONTENTS OF TITLE.**—The table of
 23 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 (conf).

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. 10601. Establishment of single conversion factor for 1998.
- 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.

- Sec. 10812. Calculation and payment of damages.
- Sec. 10813. Alternative dispute resolution.

17 **Subtitle D—Anti-Fraud and Abuse**
18 **Provisions**

17 **SEC. 10308. PROVISION OF CERTAIN IDENTIFICATION NUM-**
18 **BERS.**

19 (a) REQUIREMENTS TO DISCLOSE EMPLOYER IDEN-
20 TIFICATION NUMBERS (EINS) AND SOCIAL SECURITY AC-
21 COUNT NUMBERS (SSNs).—Section 1124(a)(1) (42
22 U.S.C. 1320a-3(a)(1)) is amended by inserting before the
23 period at the end the following: “and supply the Secretary
24 with the both the employer identification number (as-
25 signed pursuant to section 6109 of the Internal Revenue

1 Code of 1986) and social security account number (as-
2 signed under section 205(c)(2)(B)) of the disclosing en-
3 tity, each person with an ownership or control interest (as
4 defined in subsection (a)(3)), and any subcontractor in
5 which the entity directly or indirectly has a 5 percent or
6 more ownership interest”.

7 (b) OTHER MEDICARE PROVIDERS.—Section 1124A
8 (42 U.S.C. 1320a–3a) is amended—

9 (1) in subsection (a)—

10 (A) by striking “and” at the end of para-
11 graph (1);

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

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

16 “(3) including the employer identification num-
17 ber (assigned pursuant to section 6109 of the Inter-
18 nal Revenue Code of 1986) and social security ac-
19 count number (assigned under section 205(c)(2)(B))
20 of the disclosing part B provider and any person,
21 managing employee, or other entity identified or de-
22 scribed under paragraph (1) or (2).”; and

23 (2) in subsection (c) by inserting “(or, for pur-
24 poses of subsection (a)(3), any entity receiving pay-
25 ment)” after “on an assignment-related basis”.

1 (c) VERIFICATION BY SOCIAL SECURITY ADMINIS-
2 TRATION (SSA).—Section 1124A (42 U.S.C. 1320a–3a) is
3 amended—

4 (1) by redesignating subsection (c) as sub-
5 section (d); and

6 (2) by inserting after subsection (b) the follow-
7 ing new subsection:

8 “(c) VERIFICATION.—

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

11 “(A) to the Commissioner of Social Secu-
12 rity information concerning each social security
13 account number (assigned under section
14 205(c)(2)(B)), and

15 “(B) to the Secretary of the Treasury in-
16 formation concerning each employer identifica-
17 tion number (assigned pursuant to section 6109
18 of the Internal Revenue Code of 1986),

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

23 “(2) VERIFICATION.—The Commissioner of So-
24 cial Security and the Secretary of the Treasury shall
25 verify the accuracy of, or correct, the information

1 supplied by the Secretary to such official pursuant
2 to paragraph (1), and shall report such verifications
3 or corrections to the Secretary.

4 “(3) FEES FOR VERIFICATION.—The Secretary
5 shall reimburse the Commissioner and Secretary of
6 the Treasury, at a rate negotiated between the Sec-
7 retary and such official, for the costs incurred by
8 such official in performing the verification and cor-
9 rection services described in this subsection.”.

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

15 (e) EFFECTIVE DATES.—

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

22 (2) The amendments made by subsection (b)
23 shall apply to payment for items and services fur-
24 nished more than 90 days after the date of submis-
25 sion of such report.

20 **TITLE XI—BUDGET**
21 **ENFORCEMENT**

22 **SEC. 11001. SHORT TITLE; TABLE OF CONTENTS.**

23 (a) **SHORT TITLE.**—This Act may be cited as the
24 “Budget Enforcement Act of 1997”.

25 (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.

1 **Subtitle A—Amendments to the**
2 **Congressional Budget and Im-**
3 **poundment Control Act of 1974**

4 **SEC. 11101. AMENDMENTS TO SECTION 3.**

5 Section 3 of the Congressional Budget and Impound-
6 ment Control Act of 1974 (2 U.S.C. 622) is amended—

7 (1) in paragraph (2)(A), by striking “and” at
8 the end of clause (iii), by striking the period and in-
9 serting “; and” at the end of clause (iv), and by
10 adding at the end the following:

11 “(v) entitlement authority and the
12 food stamp program.”; and

13 (2) in paragraph (9), by inserting “, but such
14 term does not include salary or basic pay funded
15 through an appropriation Act” before the period.

16 **SEC. 11102. AMENDMENTS TO SECTION 201.**

17 (a) **TERM OF OFFICE.**—The first sentence of section
18 201(a)(3) of the Congressional Budget Act of 1974 is
19 amended to read as follows: “The term of office of the
20 Director shall be four years and shall expire on January
21 3 of the year preceding a Presidential election.”.

22 (b) **REDESIGNATION OF EXECUTED PROVISION.**—
23 Section 201 of the Congressional Budget Act of 1974 is
24 amended by redesignating subsection (g) (relating to reve-
25 nue estimates) as subsection (f).

1 SEC. 11103. AMENDMENTS TO SECTION 202.

2 (a) ASSISTANCE TO BUDGET COMMITTEES.—The
3 first sentence of section 202(a) of the Congressional
4 Budget Act of 1974 is amended by inserting “primary”
5 before “duty”.

6 (b) ELIMINATION OF EXECUTED PROVISION.—Sec-
7 tion 202 of the Congressional Budget Act of 1974 is
8 amended by striking subsection (e) and by redesignating
9 subsections (f), (g), and (h) as subsections (e), (f), and
10 (g), respectively.

11 SEC. 11104. AMENDMENT TO SECTION 300.

12 The item relating to February 25 in the timetable
13 set forth in section 300 of the Congressional Budget Act
14 of 1974 is amended by striking “February 25” and insert-
15 ing “Within 6 weeks after President submits budget”.

16 SEC. 11105. AMENDMENTS TO SECTION 301.

17 (a) TERMS OF BUDGET RESOLUTIONS.—Section
18 301(a) of the Congressional Budget Act of 1974 is amend-
19 ed by striking “, and planning levels for each of the two
20 ensuing fiscal years,” and inserting “and for at least each
21 of the 4 ensuing fiscal years”.

22 (b) CONTENTS OF BUDGET RESOLUTIONS.—Para-
23 graphs (1) and (4) of section 301(a) of the Congressional
24 Budget Act of 1974 are amended by striking “, budget
25 outlays, direct loan obligations, and primary loan guaran-

1 tee commitments” each place it appears and inserting
2 “and budget outlays”.

3 (c) ADDITIONAL MATTERS.—Section 301(b) of the
4 Congressional Budget Act of 1974 is amended by amend-
5 ing paragraph (7) to read as follows—

6 “(7) set forth pay-as-you-go procedures in the
7 Senate whereby committee allocations, aggregates,
8 and other levels can be revised for legislation within
9 a committee’s jurisdiction if such legislation would
10 not increase the deficit for the first year covered by
11 the resolution and will not increase the deficit for
12 the period of 5 fiscal years covered by the resolu-
13 tion;”.

14 (d) VIEWS AND ESTIMATES.—The first sentence of
15 section 301(d) of the Congressional Budget Act of 1974
16 is amended by inserting “or at such time as may be re-
17 quested by the Committee on the Budget,” after “Code,”.

18 (e) HEARINGS AND REPORT.—Section 301(e)(2) of
19 the Congressional Budget Act of 1974 is amended by
20 striking “total direct loan obligations, total primary loan
21 guarantee commitments,”.

22 (f) SOCIAL SECURITY CORRECTIONS.—Section 301(i)
23 of the Congressional Budget Act of 1974 is amended by—

24 (1) inserting “SOCIAL SECURITY POINT OF
25 ORDER.—” after “(i)”; and

1 (2) striking “as reported to the Senate” and in-
2 serting “(or amendment, motion, or conference re-
3 port on such a resolution)”.

4 **SEC. 11106. AMENDMENTS TO SECTION 302.**

5 (a) **ALLOCATIONS AND SUBALLOCATIONS.**—Sub-
6 sections (a) and (b) of section 302 of the Congressional
7 Budget Act of 1974 are amended to read as follows:

8 “(a) **COMMITTEE SPENDING ALLOCATIONS.**—

9 “(1) **ALLOCATION AMONG COMMITTEES.**—The
10 joint explanatory statement accompanying a con-
11 ference report on a budget resolution shall include
12 allocations, consistent with the resolution rec-
13 ommended in the conference report, of the appro-
14 priate levels (for each fiscal year covered by that res-
15 olution and a total for all such years, except in the
16 case of the Committee on Appropriations only for
17 the first such fiscal year) of—

18 “(A) total new budget authority;

19 “(B) total outlays; and

20 “(C) in the Senate, social security outlays;
21 among each committee of the House of Representa-
22 tives or the Senate that has jurisdiction over legisla-
23 tion providing or creating such amounts.

1 “(2) NO DOUBLE COUNTING.—In the House of
2 Representatives, any item allocated to one committee
3 may not be allocated to another such committee.

4 “(3) FURTHER DIVISION OF AMOUNTS.—In the
5 House of Representatives, the amounts allocated to
6 each committee for each fiscal year, other than the
7 Committee on Appropriations, shall be further di-
8 vided between amounts provided or required by law
9 on the date of filing of that conference report and
10 amounts not so provided or required. The amounts
11 allocated to the Committee on Appropriations for
12 each fiscal year shall be further divided between dis-
13 cretionary and mandatory amounts or programs, as
14 appropriate.

15 “(4) AMOUNTS NOT ALLOCATED.—(A) In the
16 House of Representatives, if a committee receives no
17 allocation of new budget authority or outlays, that
18 committee shall be deemed to have received an allo-
19 cation equal to zero for new budget authority or out-
20 lays.

21 “(B) In the Senate, if a committee receives no
22 allocation of new budget authority, outlays, or social
23 security outlays, that committee shall be deemed to
24 have received an allocation equal to zero for new
25 budget authority, outlays, or social security outlays.

1 “(5) SOCIAL SECURITY LEVELS IN THE SEN-
2 ATE.—

3 “(A) IN GENERAL.—For purposes of para-
4 graph (1)(C), social security surpluses equal the
5 excess of social security revenues over social se-
6 curity outlays in a fiscal year or years with
7 such an excess and social security deficits equal
8 the excess of social security outlays over social
9 security revenues in a fiscal year or years with
10 such an excess.

11 “(B) TAX TREATMENT.—For purposes of
12 paragraph (1)(C), no provision of any legisla-
13 tion involving a change in chapter 1 of the In-
14 ternal Revenue Code of 1986 shall be treated as
15 affecting the amount of social security revenues
16 or outlays unless such provision changes the in-
17 come tax treatment of social security benefits.

18 “(6) ADJUSTING ALLOCATION OF DISCRE-
19 TIONARY SPENDING IN THE HOUSE OF REPRESENT-
20 ATIVES.—(A) If a concurrent resolution on the
21 budget is not adopted by April 15, the chairman of
22 the Committee on the Budget of the House of Rep-
23 resentatives shall submit to the House, as soon as
24 practicable, an allocation under paragraph (1) to the
25 Committee on Appropriations consistent with the

1 discretionary spending limits contained in the most
2 recently agreed to concurrent resolution on the
3 budget for the second fiscal year covered by that res-
4 olution.

5 “(B) As soon as practicable after an allocation
6 under paragraph (1) is submitted under this section,
7 the Committee on Appropriations shall make sub-
8 allocations and promptly report those suballocations
9 to the House of Representatives.

10 “(b) SUBALLOCATIONS BY APPROPRIATION COMMIT-
11 TEES.—As soon as practicable after a concurrent resolu-
12 tion on the budget is agreed to, the Committee on Appro-
13 priations of each House (after consulting with the Com-
14 mittee on Appropriations of the other House) shall sub-
15 allocate each amount allocated to it for the budget year
16 under subsection (a) among its subcommittees. Each Com-
17 mittee on Appropriations shall promptly report to its
18 House suballocations made or revised under this para-
19 graph.”.

20 (b) POINT OF ORDER.—Section 302(c) of the Con-
21 gressional Budget Act of 1974 is amended to read as fol-
22 lows:

23 “(c) POINT OF ORDER.—After the Committee on Ap-
24 propriations has received an allocation pursuant to sub-
25 section (a) for a fiscal year, it shall not be in order in

1 the House of Representatives or the Senate to consider
2 any bill, joint resolution, amendment, motion, or con-
3 ference report providing new budget authority for that fis-
4 cal year within the jurisdiction of that committee, until
5 such committee makes the suballocations required by sub-
6 section (b).”.

7 (c) ENFORCEMENT OF POINT OF ORDER.—(1) Sec-
8 tion 302(f)(1) of the Congressional Budget Act of 1974
9 is amended by—

10 (A) striking “providing new budget authority
11 for such fiscal year or new entitlement authority ef-
12 fective during such fiscal year” and inserting “pro-
13 viding new budget authority for any fiscal year cov-
14 ered by the concurrent resolution”;

15 (B) striking “appropriate allocation made pur-
16 suant to subsection (b) for such fiscal year” and in-
17 serting “appropriate allocation made under sub-
18 section (a) or any suballocation made under sub-
19 section (b), as applicable, for the fiscal year of the
20 concurrent resolution or for the total of all fiscal
21 years covered by the concurrent resolution”; and

22 (C) striking “of new discretionary budget au-
23 thority or new entitlement authority to be exceeded”
24 and inserting “of new discretionary budget authority
25 to be exceeded”.

1 (2) Section 302(f)(2) of the Congressional Budget
2 Act of 1974 is amended to read as follows:

3 “(2) ENFORCEMENT OF COMMITTEE ALLOCA-
4 TIONS AND SUBALLOCATIONS IN THE SENATE.—

5 After a concurrent resolution on the budget is
6 agreed to, it shall not be in order in the Senate to
7 consider any bill, joint resolution, amendment, mo-
8 tion, or conference report that would cause—

9 “(A) in the case of any committee except
10 the Committee on Appropriations, the appro-
11 priate allocation of new budget authority or
12 outlays under subsection (a) to be exceeded; or

13 “(B) in the case of the Committee on Ap-
14 propriations, the appropriate suballocation of
15 new budget authority or outlays under sub-
16 section (b) to be exceeded.”.

17 (d) SEPARATE ALLOCATIONS.—Section 302(g)
18 of the Congressional Budget Act of 1974 is amended
19 to read as follows:

20 “(g) SEPARATE ALLOCATIONS.—The Committees on
21 Appropriations and the Budget shall make separate alloca-
22 tions and suballocations under this section consistent with
23 the categories in section 251(c) of the Balanced Budget
24 and Emergency Deficit Control Act of 1985.”

1 **SEC. 11107. AMENDMENTS TO SECTION 303.**

2 (a) IN GENERAL.—Section 303 of the Congressional
3 Budget Act of 1974 is amended to read as follows:

4 “CONCURRENT RESOLUTION ON THE BUDGET MUST BE
5 ADOPTED BEFORE LEGISLATION PROVIDING NEW
6 BUDGET AUTHORITY, NEW SPENDING AUTHORITY,
7 OR CHANGES IN REVENUES OR THE PUBLIC DEBT
8 LIMIT IS CONSIDERED

9 “SEC. 303. (a) IN GENERAL.—It shall not be in order
10 in either the House of Representatives or the Senate to
11 consider any bill, joint resolution, amendment, motion, or
12 conference report as reported to the House or Senate
13 which provides—

14 “(1) new budget authority for a fiscal year;

15 “(2) an increase or decrease in revenues to be-
16 come effective during a fiscal year;

17 “(3) an increase or decrease in the public debt
18 limit to become effective during a fiscal year;

19 “(4) in the Senate only, new spending authority
20 (as defined in section 401(c)(2)) for a fiscal year; or

21 “(5) in the Senate only, outlays,

22 until the concurrent resolution on the budget for such fis-
23 cal year (or, in the Senate, a concurrent resolution on the
24 budget covering such fiscal year) has been agreed to pur-
25 suant to section 301.

1 “(b) EXCEPTIONS.—(1) In the House of Representa-
2 tives, subsection (a) does not apply to any bill or resolu-
3 tion—

4 “(A) providing advance discretionary new budg-
5 et authority which first becomes available in a fiscal
6 year following the fiscal year to which the concur-
7 rent resolution applies; or

8 “(B) increasing or decreasing revenues which
9 first become effective in a fiscal year following the
10 fiscal year to which the concurrent resolution ap-
11 plies.

12 After May 15 of any calendar year, subsection (a) does
13 not apply in the House of Representatives to any general
14 appropriation bill, or amendment thereto, which provides
15 new budget authority for the fiscal year beginning in such
16 calendar year.

17 “(2) In the Senate, subsection (a) does not apply to
18 any bill or resolution making advance appropriations for
19 the fiscal year to which the concurrent resolution applies
20 and the two succeeding fiscal years.

21 (b) CONFORMING AMENDMENT.—The item relating
22 to section 303 in the table of contents set forth in section
23 1(b) of the Congressional Budget and Impoundment Con-
24 trol Act of 1974 is amended by striking “new credit au-
25 thority,”.

1 **SEC. 11108. AMENDMENT TO SECTION 305.**

2 Section 305(a)(1) of the Congressional Budget Act
3 of 1974 is amended by inserting “when the House is not
4 in session” after “holidays” each place it appears.

5 **SEC. 11109. AMENDMENTS TO SECTION 308.**

6 Section 308 of the Congressional Budget Act of 1974
7 is amended—

8 (1)(A) in the side heading of subsection (a), by
9 striking “OR NEW CREDIT AUTHORITY,” and
10 by striking the first comma and inserting “OR”;

11 (B) in paragraphs (1) and (2) of subsection (a),
12 by striking “or new credit authority,” each place it
13 appears and by striking the comma before “new
14 spending authority” each place it appears and in-
15 serting “or”;

16 (2) in subsection (b)(1), by striking “or new
17 credit authority,” and by striking the comma before
18 “new spending authority” and inserting “or”;

19 (3) in subsection (c), by inserting “and” after
20 the semicolon at the end of paragraph (3), by strik-
21 ing “; and” at the end of paragraph (4) and insert-
22 ing a period; and by striking paragraph (5); and

23 (4) by inserting “joint” before “resolution”
24 each place it appears and, in subsection (b)(1), by
25 inserting “joint” before “resolutions”.

1 **SEC. 11110. AMENDMENTS TO SECTION 310.**

2 Section 310 of the Congressional Budget Act of 1974
3 is amended by—

4 (1) in subsection (a)(1), by inserting “and”
5 after the semicolon at the end of subparagraph (B),
6 by striking “subparagraphs (C) and (D), and by in-
7 serting after subparagraph (B) the following new
8 subparagraph:

9 “(C) direct spending (as defined in section
10 250(c)(8) of the Balanced Budget and Emer-
11 gency Deficit Control Act of 1985),”; and

12 (2) in subsection (c)(1)(A), by inserting “of the
13 absolute value” after “20 percent” each place it ap-
14 pears.

15 **SEC. 11111. AMENDMENTS TO SECTION 311.**

16 Section 311 of the Congressional Budget Act of 1974
17 is amended to read as follows:

18 “NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY,
19 AND REVENUE LEGISLATION MUST BE WITHIN AP-
20 PROPRIATE LEVELS

21 “SEC. 311. (a) ENFORCEMENT OF BUDGET AGGRE-
22 GATES.—

23 “(1) IN THE HOUSE OF REPRESENTATIVES.—
24 Except as provided by subsection (c), after the Con-
25 gress has completed action on a concurrent resolu-
26 tion on the budget for a fiscal year, it shall not be

1 in order in the House of Representatives to consider
2 any bill, joint resolution, amendment, motion, or
3 conference report providing new budget authority for
4 such fiscal year or reducing revenues for such fiscal
5 year, if—

6 “(A) the enactment of such bill or resolu-
7 tion as reported;

8 “(B) the adoption and enactment of such
9 amendment; or

10 “(C) the enactment of such bill or resolu-
11 tion in the form recommended in such con-
12 ference report;

13 would cause the appropriate level of total new budg-
14 et authority or total budget outlays set forth in the
15 most recently agreed to concurrent resolution on the
16 budget for such fiscal year to be exceeded, or would
17 cause revenues to be less than the appropriate level
18 of total revenues set forth in such concurrent resolu-
19 tion such fiscal year or for the total of all fiscal
20 years covered by the concurrent resolution, except in
21 the case that a declaration of war by the Congress
22 is in effect.

23 “(2) IN THE SENATE.—After a concurrent reso-
24 lution on the budget is agreed to, it shall not be in

1 order in the Senate to consider any bill, resolution,
2 amendment, motion, or conference report that—

3 “(A) would cause the appropriate level of
4 total new budget authority or total outlays set
5 forth for the first fiscal year in such resolution
6 to be exceeded; or

7 “(B) would cause revenues to be less than
8 the appropriate level of total revenues set forth
9 for the first fiscal year covered by such resolu-
10 tion or for the period including the first fiscal
11 year plus the following 4 fiscal years in such
12 resolution.

13 “(3) ENFORCEMENT OF SOCIAL SECURITY LEV-
14 ELS IN THE SENATE.—After a concurrent resolution
15 on the budget is agreed to, it shall not be in order
16 in the Senate to consider any bill, resolution, amend-
17 ment, motion, or conference report that would cause
18 a decrease in social security surpluses or an increase
19 in social security deficits derived from the levels of
20 social security revenues and social security outlays
21 set forth for the first fiscal year covered by the reso-
22 lution and for the period including the first fiscal
23 year plus the following 4 fiscal years in such resolu-
24 tion.

25 “(b) SOCIAL SECURITY LEVELS.—

1 “(1) IN GENERAL.—For the purposes of sub-
2 section (a)(3), social security surpluses equal the ex-
3 cess of social security revenues over social security
4 outlays in a fiscal year or years with such an excess
5 and social security deficits equal the excess of social
6 security outlays over social security revenues in a
7 fiscal year or years with such an excess.

8 “(2) TAX TREATMENT.—For the purposes of
9 this section, no provision of any legislation involving
10 a change in chapter 1 of the Internal Revenue Code
11 of 1986 shall be treated as affecting the amount of
12 social security revenues or outlays unless such provi-
13 sion changes the income tax treatment of social se-
14 curity benefits.

15 “(c) EXCEPTION IN THE HOUSE OF REPRESENTA-
16 TIVES.—Subsection (a)(1) shall not apply in the House
17 of Representatives to any bill, resolution, or amendment
18 that provides new budget authority for a fiscal year or
19 to any conference report on any such bill or resolution,
20 if—

21 “(1) the enactment of such bill or resolution as
22 reported;

23 “(2) the adoption and enactment of such
24 amendment; or

1 “(3) the enactment of such bill or resolution in
2 the form recommended in such conference report;
3 would not cause the appropriate allocation of new budget
4 authority made pursuant to section 302(a) for such fiscal
5 year, for the committee within whose jurisdiction such bill,
6 resolution, or amendment falls, to be exceeded.”.

7 **SEC. 11112. AMENDMENT TO SECTION 312.**

8 (a) IN GENERAL.—Section 312 of the Congressional
9 Budget Act of 1974 is amended to read as follows:

10 “POINTS OF ORDER

11 “SEC. 312. (a) BUDGET COMMITTEE DETERMINA-
12 TIONS.—For purposes of this title and title IV, the levels
13 of new budget authority, budget outlays, spending author-
14 ity as described in section 401(c)(2), direct spending, new
15 entitlement authority, and revenues for a fiscal year shall
16 be determined on the basis of estimates made by the Com-
17 mittee on the Budget of the House of Representatives or
18 the Senate, as the case may be.

19 “(b) DISCRETIONARY SPENDING POINT OF ORDER IN
20 THE SENATE.—

21 “(1) Except as otherwise provided in this sub-
22 section, it shall not be in order in the Senate to con-
23 sider any concurrent resolution on the budget (or
24 amendment, motion, or conference report on such a
25 resolution) that would exceed any of the discre-
26 tionary spending limits in section 251(c) of the Bal-

1 anced Budget and Emergency Deficit Control Act of
2 1985.

3 “(2) This subsection shall not apply if a dec-
4 laration of war by the Congress is in effect or if a
5 joint resolution pursuant to section 258 of the Bal-
6 anced Budget and Emergency Deficit Control Act of
7 1985 has been enacted.

8 “(c) MAXIMUM DEFICIT AMOUNT POINT OF ORDER
9 IN THE SENATE.—It shall not be in order in the Senate
10 to consider any concurrent resolution on the budget for
11 a fiscal year under section 301, or to consider any amend-
12 ment to that concurrent resolution, or to consider a con-
13 ference report on that concurrent resolution—

14 “(1) if the level of total budget outlays for the
15 first fiscal year that is set forth in that concurrent
16 resolution or conference report exceeds the rec-
17 ommended level of Federal revenues set forth for
18 that year by an amount that is greater than the
19 maximum deficit amount, if any, specified in the
20 Balanced Budget and Emergency Deficit Control
21 Act of 1985 for such fiscal year; or

22 “(2) if the adoption of such amendment would
23 result in a level of total budget outlays for that fiscal
24 year which exceeds the recommended level of Fed-
25 eral revenues for that fiscal year, by an amount that

1 is greater than the maximum deficit amount, if any,
2 specified in the Balanced Budget and Emergency
3 Deficit Control Act of 1985 for such fiscal year.

4 “(d) TIMING OF POINTS OF ORDER IN THE SEN-
5 ATE.—A point of order under this Act may not be raised
6 against a bill, resolution, amendment, motion, or con-
7 ference report while an amendment or motion, the adop-
8 tion of which would remedy the violation of this Act, is
9 pending before the Senate.

10 “(e) POINTS OF ORDER IN THE SENATE AGAINST
11 AMENDMENTS BETWEEN THE HOUSES.—Each provision
12 of this Act that establishes a point of order against an
13 amendment also establishes a point of order in the Senate
14 against an amendment between the Houses. If a point of
15 order under this Act is raised in the Senate against an
16 amendment between the Houses, and the Presiding Officer
17 sustains the point of order, the effect shall be the same
18 as if the Senate had disagreed to the amendment.

19 “(f) EFFECT OF A POINT OF ORDER ON A BILL IN
20 THE SENATE.—In the Senate, if the Chair sustains a
21 point of order under this Act against a bill, the Chair shall
22 then send the bill to the committee of appropriate jurisdic-
23 tion for further consideration.”

24 (b) CONFORMING AMENDMENT.—The item relating
25 to section 312 in the table of contents set forth in section

1 1(b) of the Congressional Budget and Impoundment Con-
2 trol Act of 1974 is amended by striking “Effect of point”
3 and inserting “Point”.

4 **SEC. 11113. ADJUSTMENTS AND BUDGET COMMITTEE DE-**
5 **TERMINATIONS.**

6 (a) IN GENERAL.—Title III of the Congressional
7 Budget Act of 1974 is amended by adding at the end the
8 following new section:

9 “ADJUSTMENTS

10 “SEC. 314. (a) ADJUSTMENTS.—When—

11 “(1)(A) the Committee on Appropriations re-
12 ports an appropriation measure for fiscal year 1998,
13 1999, 2000, 2001, or 2002 that specifies an amount
14 for emergencies pursuant to section 251(b)(2)(A) of
15 the Balanced Budget and Emergency Deficit Control
16 Act of 1985 or for continuing disability reviews pur-
17 suant to section 251(b)(2)(C) of that Act;

18 “(B) any other committee reports emergency
19 legislation described in section 252(e) of that Act;

20 “(C) the Committee on Appropriations reports
21 an appropriation measure for fiscal year 1998, 1999,
22 2000, 2001, or 2002 that includes an appropriation
23 with respect to clause (i) or (ii), the adjustment
24 shall be the amount of budget authority in the meas-
25 ure that is the dollar equivalent, in terms of Special
26 Drawing Rights, of—

1 “(i) increases the United States quota as
2 part of the International Monetary Fund Elev-
3 enth General Review of Quotas (United States
4 Quota); or

5 “(ii) increases the maximum amount avail-
6 able to the Secretary of the Treasury pursuant
7 to section 17 of the Bretton Woods Agreement
8 Act, as amended from time to time (New Ar-
9 rangements to Borrow); or

10 “(D) the Committee on Appropriations reports
11 an appropriation measure for fiscal year 1998, 1999,
12 or 2000 that includes an appropriation for arrear-
13 ages for international organizations, international
14 peacekeeping, and multilateral development banks
15 during that fiscal year, and the sum of the appro-
16 priations for the period of fiscal years 1998 through
17 2000 do not exceed \$1,884,000,000 in budget au-
18 thority; or

19 “(2) a conference committee submits a con-
20 ference report thereon;

21 the chairman of the Committee on the Budget of the Sen-
22 ate or House of Representatives shall make the adjust-
23 ments referred to in subsection (c) to reflect the additional
24 new budget authority for such matter provided in that
25 measure or conference report and the additional outlays

1 flowing in all fiscal years from such amounts for such mat-
2 ter.

3 “(b) APPLICATION OF ADJUSTMENTS.—The adjust-
4 ments and revisions to allocations, aggregates, and limits
5 made by the Chairman of the Committee on the Budget
6 pursuant to subsection (a) for legislation shall only apply
7 while such legislation is under consideration and shall only
8 permanently take effect upon the enactment of that legis-
9 lation.

10 “(c) CONTENT OF ADJUSTMENTS.—The adjustments
11 referred to in subsection (a) shall consist of adjustments,
12 as appropriate, to—

13 “(1) the discretionary spending limits as set
14 forth in the most recently agreed to concurrent reso-
15 lution on the budget;

16 “(2) the allocations made pursuant to the most
17 recently adopted concurrent resolution on the budget
18 pursuant to section 302(a); and

19 “(3) the budgetary aggregates as set forth in
20 the most recently adopted concurrent resolution on
21 the budget.

22 “(d) REPORTING REVISED SUBALLOCATIONS.—Fol-
23 lowing the adjustments made under subsection (a), the
24 Committees on Appropriations of the Senate and the
25 House of Representatives may report appropriately revised

1 suballocations pursuant to section 302(b) to carry out this
2 subsection.

3 “(e) DEFINITIONS.—As used in subsection (a)(1)(A),
4 when referring to continuing disability reviews, the terms
5 ‘continuing disability reviews’, ‘additional new budget au-
6 thority’, and ‘additional outlays’ shall have the same
7 meanings as provided in section 251(b)(2)(C)(ii) of the
8 Balanced Budget and Emergency Deficit Control Act of
9 1985.”.

10 (b) CONFORMING AMENDMENTS.—(1) Sections
11 302(g), 311(c), and 313(e) of the Congressional Budget
12 Act of 1974 are repealed.

13 (2) The table of contents set forth in section 1(b) of
14 the Congressional Budget and Impoundment Control Act
15 of 1974 is amended by adding after the item relating to
16 section 313 the following new item:

“Sec. 314. Adjustments.”.

17 **SEC. 11114. EFFECT OF SELF-EXECUTING AMENDMENTS ON**
18 **POINTS OF ORDER IN THE HOUSE OF REP-**
19 **RESENTATIVES.**

20 (a) EFFECT OF POINTS OF ORDER.—Title III of the
21 Congressional Budget Act of 1974 is amended by adding
22 after section 314 the following new section:

1 "EFFECT OF SELF-EXECUTING AMENDMENTS ON POINTS
2 OF ORDER IN THE HOUSE OF REPRESENTATIVES

3 "SEC. 315. In the House of Representatives, if a pro-
4 vision of a bill, as reported, violates a section of this title
5 or title IV and a self-executing rule providing for consider-
6 ation of that bill modifies that provision to eliminate such
7 violation, then such point of order shall not lie against
8 consideration of that bill."

9 (b) CONFORMING AMENDMENT.—The table of con-
10 tents set forth in section 1(b) of the Congressional Budget
11 and Impoundment Control Act of 1974 is amended by
12 adding after the item relating to section 314 the following
13 new item:

"Sec. 315. Effect of self-executing amendments on points of order in the house
of representatives."

14 **SEC. 11115. AMENDMENT OF SECTION 401 AND REPEAL OF**
15 **SECTION 402.**

16 (a) SECTION 401.—Subsections (a) and (b) of section
17 401 of the Congressional Budget Act of 1974 are amended
18 to read as follows:

19 "BILLS PROVIDING NEW SPENDING AUTHORITY OR NEW
20 CREDIT AUTHORITY

21 "SEC. 401. (a) CONTROLS ON LEGISLATION PROVID-
22 ING SPENDING AUTHORITY OR CREDIT AUTHORITY.—It
23 shall not be in order in either the House of Representa-
24 tives or the Senate to consider any bill, joint resolution,

1 amendment, motion, or conference report, as reported to
2 its House which provides new spending authority de-
3 scribed in subsection (c)(2)(A) or (B) or new credit au-
4 thority, unless that bill, resolution, conference report, or
5 amendment also provides that such new spending author-
6 ity as described in subsection (c)(2) (A) or (B) or new
7 credit authority is to be effective for any fiscal year only
8 to such extent or in such amounts as are provided in ap-
9 propriation Acts.

10 “(b) LEGISLATION PROVIDING ENTITLEMENT AU-
11 THORITY.—It shall not be in order in either the House
12 of Representatives or the Senate to consider any bill, joint
13 resolution, amendment, motion, or conference report, as
14 reported to its House which provides new spending author-
15 ity described in subsection (c)(2)(C) which is to become
16 effective before the first day of the fiscal year which begins
17 during the calendar year in which such bill or resolution
18 is reported.”

19 (b) REPEALER OF SECTION 402.—(1) Section 402 of
20 the Congressional Budget Act of 1974 is repealed.

21 (2) CONFORMING AMENDMENTS.—(1) Sections 403
22 through 407 of the Congressional Budget Act of 1974 are
23 redesignated as sections 402 through 406, respectively.

24 (2) The table of contents set forth in section
25 1(b) of the Congressional Budget and Impoundment

1 Control Act of 1974 is amended by deleting the item
2 relating to section 402 and by redesignating the
3 items relating to sections 403 through 407 as the
4 items relating to sections 402 through 406, respec-
5 tively.

6 **SEC. 11116. REPEAL OF TITLE VI.**

7 (a) **REPEALER.**—Title VI of the Congressional Budg-
8 et Act of 1974 is repealed.

9 (b) **CONFORMING AMENDMENTS.**—The items relating
10 to title VI of the table of contents set forth in section 1(b)
11 of the Congressional Budget and Impoundment Control
12 Act of 1974 are repealed.

13 **SEC. 11117. AMENDMENTS TO SECTION 904.**

14 (a) **CONFORMING AMENDMENT.**—Section 904(a) of
15 the Congressional Budget Act of 1974 is amended by
16 striking “(except section 905)” and by striking “V, and
17 VI (except section 601(a))” and inserting “and V”.

18 (b) **WAIVERS.**—Section 904(c) of the Congressional
19 Budget Act of 1974 is amended to read as follows:

20 “(c) **WAIVERS.**—

21 “(1) Sections 305(b)(2), 305(c)(4), 306,
22 310(d)(2), 313, 904(c), and 904(d) of this Act may
23 be waived or suspended in the Senate only by the af-
24 firmative vote of three-fifths of the Members, duly
25 chosen and sworn.

1 “(2) Sections 301(i), 302(c), 302(f), 310(g),
2 311(a), and 315 of this Act and sections
3 258(a)(4)(C), 258(A)(b)(3)(C)(I), 258(B)(f)(1),
4 258B(h)(1), 258(h)(3), 258C(a)(5), and
5 258(C)(b)(1) of the Balanced Budget and Emer-
6 gency Deficit Control Act of 1985 may be waived or
7 suspended in the Senate only by the affirmative vote
8 of three-fifths of the Members, duly chosen and
9 sworn.”.

10 (c) APPEALS.—Section 904(d) of the Congressional
11 Budget Act of 1974 is amended to read as follows:

12 “(d) APPEALS.—

13 “(1) Appeals in the Senate from the decisions
14 of the Chair relating to any provision of title III or
15 IV of section 1017 shall, except as otherwise pro-
16 vided therein, be limited to 1 hour, to be equally di-
17 vided between, and controlled by, the mover and the
18 manager of the resolution, concurrent resolution,
19 reconciliation bill, or rescission bill, as the case may
20 be.

21 “(2) An affirmative vote of three-fifths of the
22 Members, duly chosen and sworn, shall be required
23 in the Senate to sustain an appeal of the ruling of
24 the Chair on a point of order raised under sections

1 305(b)(2), 305(c)(4), 306, 310(d)(2), 313, 904(c),
2 and 904(d) of this Act.

3 “(3) An affirmative vote of three-fifths of the
4 Members, duly chosen and sworn, shall be required
5 in the Senate to sustain an appeal of the ruling of
6 the Chair on a point of order raised under sections
7 301(i), 302(c), 302(f), 310(g), 311(a), and 315 of
8 this Act and sections 258(a)(4)(C),
9 258(A)(b)(3)(C)(I), 258(B)(f)(1), 258B(h)(1),
10 258(h)(3), 258C(a)(5), and 258(C)(b)(1) of the Bal-
11 anced Budget and Emergency Deficit Control Act of
12 1985.”.

13 (d) EXPIRATION OF SUPERMAJORITY VOTING RE-
14 QUIREMENTS.—Section 904 of the Congressional Budget
15 Act of 1974 is amended by adding at the end the follow-
16 ing:

17 “(e) EXPIRATION OF CERTAIN SUPERMAJORITY VOT-
18 ING REQUIREMENTS.—Subsections (c)(2) and (d)(3) shall
19 expire on September 30, 2002.”.

20 **SEC. 11118. REPEAL OF SECTIONS 905 AND 906.**

21 (a) REPEALER.—Sections 905 and 906 of the Con-
22 gressional Budget and Impoundment Control Act of 1974
23 are repealed.

24 (b) CONFORMING AMENDMENTS.—The table of con-
25 tents set forth in section 1(b) of the Congressional Budget

1 and Impoundment Control Act of 1974 is amended by
2 striking the items relating to sections 905 and 906.

3 **SEC. 11119. AMENDMENTS TO SECTIONS 1022 AND 1024.**

4 (a) SECTION 1022.—Section 1022(b)(1)(F) of Con-
5 gressional Budget and Impoundment Control Act of 1974
6 is amended by striking “section 601” and inserting “sec-
7 tion 251(c) the Balanced Budget and Emergency Deficit
8 Control Act of 1985”.

9 (b) SECTION 1024.—Section 1024(a)(1)(B) of Con-
10 gressional Budget and Impoundment Control Act of 1974
11 is amended by striking “section 601(a)(2)” and inserting
12 “section 251(c) the Balanced Budget and Emergency Def-
13 icit Control Act of 1985”.

14 **SEC. 11120. AMENDMENT TO SECTION 1026.**

15 Section 1026(7)(A)(iv) of the Congressional Budget
16 and Impoundment Control Act of 1974 is amended by
17 striking “and” and inserting “or”.

18 **Subtitle B—Amendments to the**
19 **Balanced Budget and Emer-**
20 **gency Deficit Control Act of**
21 **1985**

22 **SEC. 11201. PURPOSE.**

23 This subtitle extends discretionary spending limits
24 and pay-as-you-go requirements.

1 **SEC. 11202. GENERAL STATEMENT AND DEFINITIONS.**

2 (a) **GENERAL STATEMENT.**—Section 250(b) of the
3 Balanced Budget and Emergency Deficit Control Act of
4 1985 (2 U.S.C. 900(b)) is amended by striking the first
5 two sentences and inserting the following: “This part pro-
6 vides for the enforcement of a balanced budget by fiscal
7 year 2002 as called for in House Concurrent Resolution
8 84 (105th Congress, 1st session).”.

9 (b) **DEFINITIONS.**—Section 250(c) of the Balanced
10 Budget and Emergency Deficit Control Act of 1985 is
11 amended—

12 (1) by striking paragraph (4) and inserting the
13 following:

14 “(4) The term ‘category’ means defense, non-
15 defense, and violent crime reduction discretionary
16 appropriations as specified in the joint explanatory
17 statement accompanying a conference report on the
18 Balanced Budget Act of 1997.”;

19 (2) by striking paragraph (6) and inserting the
20 following:

21 “(6) The term ‘budgetary resources’ means new
22 budget authority, unobligated balances, direct spend-
23 ing authority, and obligation limitations.”;

24 (3) in paragraph (9), by striking “submission of
25 the fiscal year 1992 budget that are not included

1 with a budget submission” and inserting “that budg-
2 et submission that are not included with it”;

3 (4) in paragraph (14), by inserting “first 4” be-
4 fore “fiscal years” and by striking “1995” and in-
5 serting “2006”;

6 (5) by striking paragraphs (17) and (20) and
7 by redesignating paragraphs (18), (19), and (21) as
8 paragraphs (17), (18), and (19), respectively;

9 (6) in paragraph (17) (as redesignated), by
10 striking “Omnibus Budget Reconciliation Act of
11 1990” and inserting “Balanced Budget Act of
12 1997”;

13 (7) in paragraph (20) (as redesignated), by
14 striking the second sentence; and

15 (8) by adding at the end the following new
16 paragraph:

17 “(20) The term ‘consultation’, when applied to
18 the Committee on the Budget of either the House of
19 Representatives or of the Senate, means written
20 communication with that committee that affords
21 that committee an opportunity to comment on the
22 matter that is the subject of the consultation before
23 official action is taken on such matter.”.

1 **SEC. 11203. ENFORCING DISCRETIONARY SPENDING LIM-**
2 **ITS.**

3 (a) **EXTENSION THROUGH FISCAL YEAR 2002.**—Sec-
4 tion 251 of the Balanced Budget and Emergency Deficit
5 Control Act of 1985 is amended—

6 (1) in the side heading of subsection (a), by
7 striking “1991–1998” and inserting “1997–2002”;

8 (2) in subsection (a)(7) by inserting “(excluding
9 Saturdays, Sundays, or legal holidays)” after “5 cal-
10 endar days”;

11 (3) in the first sentence of subsection (b)(1), by
12 striking “1992, 1993, 1994, 1995, 1996, 1997 or
13 1998” and inserting “1997 or any fiscal year there-
14 after through 2002” and by striking “through
15 1998” and inserting “through 2002”;

16 (4) in subsection (b)(1), by striking “the follow-
17 ing:” and all that follows through “in concepts and
18 definitions” the first place it appears and inserting
19 “the following: the adjustments” and by striking
20 subparagraphs (B) and (C);

21 (5) in subsection (b)(2), by striking “1991,
22 1992, 1993, 1994, 1995, 1996, 1997, or 1998” and
23 inserting “1997 or any fiscal year thereafter through
24 2002”, by striking “through 1998” and inserting
25 “through 2002”, and by striking subparagraphs (A),
26 (B), (C), (E), and (G), and by redesignating sub-

1 paragraphs (D), (F), and (H) as subparagraphs (A),
2 (B), and (C), respectively;

3 (6) in subsection (b)(2)(A) (as redesignated),
4 by striking “(i)”, by striking clause (ii), and by in-
5 serting “fiscal” before “years”;

6 (7) in subsection (b)(2)(B) (as redesignated),
7 by striking everything after “the adjustment in out-
8 lays” and inserting “for a fiscal year is the amount
9 of the excess but not to exceed 0.5 percent of the
10 adjusted discretionary spending limit on outlays for
11 that fiscal year in fiscal year 1997 or any fiscal year
12 thereafter through 2002; and

13 (8) by adding at the end of subsection (b)(2)
14 the following new subparagraphs:

15 “(D) ALLOWANCE FOR IMF.—If an appro-
16 priations bill or joint resolution is enacted for
17 fiscal year 1998, 1999, 2000, 2001, or 2002
18 that includes an appropriation with respect to
19 clause (i) or (ii), the adjustment shall be the
20 amount of budget authority in the measure that
21 is the dollar equivalent, in terms of Special
22 Drawing Rights, of—

23 “(i) an increase in the United States
24 quota as part of the International Mone-

1 tary Fund Eleventh General Review of
2 Quotas (United States Quota); or

3 “(ii) any increase in the maximum
4 amount available to the Secretary of the
5 Treasury pursuant to section 17 of the
6 Bretton Woods Agreement Act, as amend-
7 ed from time to time (New Arrangements
8 to Borrow).

9 “(E) ALLOWANCE FOR INTERNATIONAL
10 ARREARAGES.—

11 “(i) ADJUSTMENTS.—If an appropria-
12 tions bill or joint resolution is enacted for
13 fiscal year 1998, 1999, or 2000 that in-
14 cludes an appropriation for arrearages for
15 international organizations, international
16 peacekeeping, and multilateral banks for
17 that fiscal year, the adjustment shall be
18 the amount of budget authority in such
19 measure and the outlays flowing in all fis-
20 cal years from such budget authority.

21 “(ii) LIMITATIONS.—The total
22 amount of adjustments made pursuant to
23 this subparagraph for the period of fiscla
24 years 1998 through 2000 shall not exceed
25 \$1,884,000,000 in budget authority.”

1 (b) SHIFTING OF DISCRETIONARY SPENDING LIMITS
2 INTO THE BALANCED BUDGET AND EMERGENCY DEFICIT
3 CONTROL ACT OF 1985.—Section 251 of the Balanced
4 Budget and Emergency Deficit Control Act of 1985 is
5 amended by adding at the end the following new sub-
6 section:

7 “(c) DISCRETIONARY SPENDING LIMIT.—As used in
8 this part, the term ‘discretionary spending limit’ means—

9 “(1) with respect to fiscal year 1997, for the
10 discretionary category, the current adjusted amount
11 of new budget authority and outlays;

12 “(2) with respect to fiscal year 1998—

13 “(A) for the defense category:
14 \$269,000,000,000 in new budget authority and
15 \$266,823,000,000 in outlays;

16 “(B) for the nondefense category:
17 \$252,357,000,000 in new budget authority and
18 \$282,853,000,000 in outlays; and

19 “(C) for the violent crime reduction cat-
20 egory: \$5,500,000,000 in new budget authority
21 and \$3,592,000,000 in outlays;

22 “(3) with respect to fiscal year 1999—

23 “(A) for the defense category:
24 \$271,500,000,000 in new budget authority and
25 \$266,518,000,000 in outlays; and

1 “(B) for the nondefense category:
2 \$261,499,000,000 in new budget authority and
3 \$292,803,000,000 in outlays;

4 “(4) with respect to fiscal year 2000, for the
5 discretionary category: \$537,193,000,000 in new
6 budget authority and \$564,265,000,000 in outlays;

7 “(5) with respect to fiscal year 2001, for the
8 discretionary category: \$542,032,000,000 in new
9 budget authority and \$564,396,000,000 in outlays;
10 and

11 “(6) with respect to fiscal year 2002, for the
12 discretionary category: \$551,074,000,000 in new
13 budget authority and \$560,799,000,000 in outlays;
14 as adjusted in strict conformance with subsection (b).”.

15 **SEC. 11204. VIOLENT CRIME REDUCTION TRUST FUND.**

16 (a) SEQUESTRATION REGARDING VIOLENT CRIME
17 REDUCTION TRUST FUND.—Section 251A of the Bal-
18 anced Budget and Emergency Deficit Control Act of 1985
19 is repealed.

20 (b) CONFORMING AMENDMENT.—Section 310002 of
21 Public Law 103–322 (42 U.S.C. 14212) is repealed.

22 **SEC. 11205. ENFORCING PAY-AS-YOU-GO.**

23 (a) EXTENSION.—Section 252 (2 U.S.C. 902) is
24 amended—

1 (1) by striking subsections (a) and (b) and in-
2 serting the following:

3 “(a) PURPOSE.—The purpose of this section is to as-
4 sure that any legislation enacted prior to September 30,
5 2002, affecting direct spending or receipts that increases
6 the deficit will trigger an offsetting sequestration.

7 “(b) SEQUESTRATION.—

8 “(1) TIMING.—Within 15 calendar days after
9 Congress adjourns to end a session and on the same
10 day as a sequestration (if any) under sections 251
11 and 253, there shall be a sequestration to offset the
12 amount of any net deficit increase in the budget
13 year caused by all direct spending and receipts legis-
14 lation (after adjusting for any prior sequestration as
15 provided by paragraph (2)) plus any net deficit in-
16 crease in the prior fiscal year caused by all direct
17 spending and receipts legislation not reflected in the
18 final OMB sequestration report for that year.

19 “(2) CALCULATION OF DEFICIT INCREASE.—
20 OMB shall calculate the amount of deficit increase,
21 if any, in the budget year by adding—

22 “(A) all applicable estimates of direct
23 spending and receipts legislation transmitted
24 under subsection (d) applicable to the budget

1 year, other than any amounts included in such
2 estimates resulting from—

3 “(i) full funding of, and continuation of, the de-
4 posit insurance guarantee commitment in effect on
5 the date of enactment of this section; and

6 “(ii) emergency provisions as designated under
7 subsection (e); and

8 “(B) the estimated amount of savings in
9 direct spending programs applicable to the
10 budget year resulting from the prior year’s se-
11 questration under this section or section 253, if
12 any (except for any amounts sequestered as a
13 result of any deficit increase in the fiscal year
14 immediately preceding the prior fiscal year), as
15 published in OMB’s final sequestration report
16 for that prior year; and

17 “(C) all applicable estimates of direct
18 spending and receipts legislation transmitted
19 under subsection (d) for the current year that
20 are not reflected in the final OMB sequestra-
21 tion report for that year, other than any
22 amounts included in such estimates resulting
23 from emergency provisions as designated under
24 subsection (e).”;

1 (2) by amending subsection (c)(1)(B), by in-
2 serting “and direct” after “guaranteed”;

3 (3) by amending subsection (d) to read as fol-
4 lows:

5 “(d) ESTIMATES.—

6 “(1) CBO ESTIMATES.—As soon as practicable
7 after Congress completes action on any direct spend-
8 ing or receipts legislation, CBO shall provide an esti-
9 mate of the budgetary effects of that legislation.

10 “(2) OMB ESTIMATES.—Not later than 5 cal-
11 endar days (excluding Saturdays, Sundays, or legal
12 holidays) after the enactment of any direct spending
13 or receipts legislation, OMB shall transmit a report
14 to the House of Representatives and to the Senate
15 containing—

16 “(A) the CBO estimate of the budgetary
17 effects of that legislation;

18 “(B) an OMB estimate of the budgetary
19 effects of that legislation using current eco-
20 nomic and technical assumptions; and

21 “(C) an explanation of any difference be-
22 tween the two estimates.

23 “(3) SCOPE OF ESTIMATES.—The estimates
24 under this section shall include the amount of
25 change in outlays or receipts, as the case may be,

1 for the current year (if applicable), the budget year,
2 and each outyear.

3 “(4) SCOREKEEPING GUIDELINES.—OMB and
4 CBO, after consultation with each other and the
5 Committees on the Budget of the House of Rep-
6 resentatives and the Senate, shall—

7 “(A) determine common scorekeeping
8 guidelines; and

9 “(B) in conformance with such guidelines,
10 prepare estimates under this section.”; and

11 (4) in subsection (e), by striking “, for any fis-
12 cal year from 1991 through 1998,” and by striking
13 “through 1995”.

14 **SEC. 11206. REPORTS AND ORDERS.**

15 Section 254 of the Balanced Budget and Emergency
16 Deficit Control Act of 1985 is amended—

17 (1) by striking subsection (c) and redesignating
18 subsections (d) through (k) as (e) through (j), re-
19 spectively;

20 (2) in subsection (c)(2) (as redesignated), by
21 striking “1998” and inserting “2002”; and

22 (3)(A) in subsection (f)(2)(A) (as redesignated),
23 by striking “1998” and inserting “2002”; and

24 (B) in subsection (f)(3) (as redesignated), by
25 striking “through 1998”.

1 **SEC. 11207. EXEMPT PROGRAMS AND ACTIVITIES.**

2 (a) **VETERANS PROGRAMS.**—Section 255(b) of the
3 **Balanced Budget and Emergency Deficit Control Act of**
4 **1985** is amended as follows:

5 (1) In the item relating to Veterans Insurance
6 and Indemnity, strike “Indemnity” and insert “In-
7 demnities”.

8 (2) In the item relating to Veterans’ Canteen
9 Service Revolving Fund, strike “Veterans”.

10 (3) In the item relating to Benefits under chap-
11 ter 21 of title 38, strike “(36-0137-0-1-702)” and
12 insert “(36-0120-0-1-701)”.

13 (4) In the item relating to Veterans’ compensa-
14 tion, strike “Veterans’ compensation” and insert
15 “Compensation”.

16 (5) In the item relating to Veterans’ pensions,
17 strike “Veterans’ pensions” and insert “Pensions”.

18 (6) After the last item, insert the following new
19 items:

20 “Benefits under chapter 35 of title 38,
21 United States Code, related to educational as-
22 sistance for survivors and dependents of certain
23 veterans with service-connected disabilities (36-
24 0137-0-1-702);

25 “Assistance and services under chapter 31
26 of title 38, United States Code, relating to

1 training and rehabilitation for certain veterans
2 with service-connected disabilities (36-0137-0-
3 1-702);

4 “Benefits under subchapters I, II, and III
5 of chapter 37 of title 38, United States Code,
6 relating to housing loans for certain veterans
7 and for the spouses and surviving spouses of
8 certain veterans Guaranty and Indemnity Pro-
9 gram Account (36-1119-0-1-704);

10 “Loan Guaranty Program Account (36-
11 1025-0-1-704); and

12 “Direct Loan Program Account (36-1024-
13 0-1-704).”.

14 (b) CERTAIN PROGRAM BASES.—Section 255(f) of
15 the Balanced Budget and Emergency Deficit Control Act
16 of 1985 is amended to read as follows:

17 “(f) OPTIONAL EXEMPTION OF MILITARY PERSON-
18 NEL.—

19 “(1) The President may, with respect to any
20 military personnel account, exempt that account
21 from sequestration or provide for a lower uniform
22 percentage reduction than would otherwise apply.

23 “(2) The President may not use the authority
24 provided by paragraph (1) unless he notifies the
25 Congress of the manner in which such authority will

1 be exercised on or before the date specified in sec-
2 tion 254(a) for the budget year.”.

3 (c) OTHER PROGRAMS AND ACTIVITIES.—(1) Section
4 255(g)(1)(A) of the Balanced Budget Emergency Deficit
5 Control Act of 1985 is amended as follows:

6 (A) After the first item, insert the following
7 new item:

8 “Activities financed by voluntary payments
9 to the Government for goods or services to be
10 provided for such payments;”.

11 (B) Strike “Thrift Savings Fund (26–8141–0–
12 7–602);”.

13 (C) In the first item relating to the Bureau of
14 Indian Affairs, insert “Indian land and water claims
15 settlements and” after the comma.

16 (D) In the second item relating to the Bureau
17 of Indian Affairs, strike “miscellaneous” and insert
18 “Miscellaneous” and strike “, tribal trust funds”.

19 (E) Strike “Claims, defense (97–0102–0–1–
20 051);”.

21 (F) In the item relating to Claims, judgments,
22 and relief acts, strike “806” and insert “808”.

23 (G) Strike “Coinage profit fund (20–5811–0–2–
24 803)”.

1 (H) Insert “Compact of Free Association (14–
2 0415–0–1–808);” after the item relating to the
3 Claims, judgments, and relief acts.

4 (I) Insert “Conservation Reserve Program (12–
5 2319–0–1–302);” after the item relating to the
6 Compensation of the President.

7 (J) In the item relating to the Customs Service,
8 strike “852” and insert “806”.

9 (K) In the item relating to the Comptroller of
10 the Currency, insert “, Assessment funds (20–8413–
11 0–8–373)” before the semicolon.

12 (L) Strike “Director of the Office of Thrift Su-
13 pervision;”.

14 (M) Strike “Eastern Indian land claims settle-
15 ment fund (14–2202–0–1–806);”.

16 (N) After the item relating to the Exchange
17 stabilization fund, insert the following new items:

18 “Farm Credit Administration, Limitation
19 on Administrative Expenses (78–4131–0–3–
20 351);

21 “Farm Credit System Financial Assistance
22 Corporation, interest payment (20–1850–0–1–
23 908);”.

24 (O) Strike “Federal Deposit Insurance Cor-
25 poration;”.

1 (P) In the first item relating to the Federal De-
2 posit Insurance Corporation, insert “(51-4064-0-3-
3 373)” before the semicolon.

4 (Q) In the second item relating to the Federal
5 Deposit Insurance Corporation, insert “(51-4065-
6 0-3-373)” before the semicolon.

7 (R) In the third item relating to the Federal
8 Deposit Insurance Corporation, insert “(51-4066-
9 0-3-373)” before the semicolon.

10 (S) In the item relating to the Federal Housing
11 Finance Board, insert “(95-4039-0-3-371)” before
12 the semicolon.

13 (T) In the item relating to the Federal payment
14 to the railroad retirement account, strike “account”
15 and insert “accounts”.

16 (U) In the item relating to the health profes-
17 sions graduate student loan insurance fund, insert
18 “program account” after “fund” and strike
19 “(Health Education Assistance Loan Program) (75-
20 4305-0-3-553)” and insert “(75-0340-0-1-552)”.

21 (V) In the item relating to Higher education fa-
22 cilities, strike “and insurance”.

23 (W) In the item relating to Internal revenue
24 collections for Puerto Rico, strike “852” and insert
25 “806”.

1 (X) Amend the item relating to the Panama
2 Canal Commission to read as follows:

3 “Panama Canal Commission, Panama
4 Canal Revolving Fund (95-4061-0-3-403);”.

5 (Y) In the item relating to the Medical facilities
6 guarantee and loan fund, strike “(75-4430-0-3-
7 551)” and insert “(75-9931-0-3-550)”.

8 (Z) In the first item relating to the National
9 Credit Union Administration, insert “operating fund
10 (25-4056-0-3-373)” before the semicolon.

11 (AA) In the second item relating to the Na-
12 tional Credit Union Administration, strike “central”
13 and insert “Central” and insert “(25-4470-0-3-
14 373)” before the semicolon.

15 (BB) In the third item relating to the National
16 Credit Union Administration, strike “credit” and in-
17 sert “Credit” and insert “(25-4468-0-3-373)” be-
18 fore the semicolon.

19 (CC) After the third item relating to the Na-
20 tional Credit Union Administration, insert the fol-
21 lowing new item:

22 “Office of Thrift Supervision (20-4108-0-
23 3-373);”.

1 (DD) In the item relating to Payments to
2 health care trust funds, strike “572” and insert
3 “571”.

4 (EE) Strike “Compact of Free Association, eco-
5 nomic assistance pursuant to Public Law 99-658
6 (14-0415-0-1-806);”.

7 (FF) In the item relating to Payments to social
8 security trust funds, strike “571” and insert “651”.

9 (GG) Strike “Payments to state and local gov-
10 ernment fiscal assistance trust fund (20-2111-0-1-
11 851);”.

12 (HH) In the item relating to Payments to the
13 United States territories, strike “852” and insert
14 “806”.

15 (II) Strike “Resolution Funding Corporation;”.

16 (JJ) In the item relating to the Resolution
17 Trust Corporation, insert “Revolving Fund (22-
18 4055-0-3-373)” before the semicolon.

19 (KK) After the item relating to the Tennessee
20 Valley Authority funds, insert the following new
21 items:

22 “Thrift Savings Fund;

23 “United States Enrichment Corporation
24 (95-4054-0-3-271);

1 “Vaccine Injury Compensation (75-0320-
2 0-1-551);

3 “Vaccine Injury Compensation Program
4 Trust Fund (20-8175-0-7-551);”.

5 (2) Section 255(g)(1)(B) of the Balanced Budget and
6 Emergency Deficit Control Act of 1985 is amended as fol-
7 lows:

8 (A) Strike “The following budget” and insert
9 “the following Federal retirement and disability”.

10 (B) In the item relating to Black lung benefits,
11 strike “lung benefits” and insert “Lung Disability
12 Trust Fund”.

13 (C) In the item relating to the Court of Federal
14 Claims Court Judges’ Retirement Fund, strike
15 “Court of Federal”.

16 (D) In the item relating to Longshoremen’s
17 compensation benefits, insert “Special workers com-
18 pensation expenses,” before “Longshoremen’s”.

19 (E) In the item relating to Railroad retirement
20 tier II, strike “retirement tier II” and insert “Indus-
21 try Pension Fund”.

22 (3) Section 255(g)(2) of the Balanced Budget and
23 Emergency Deficit Control Act of 1985 is amended as fol-
24 lows:

25 (A) Strike the following items:

1 “Agency for International Development,
2 Housing, and other credit guarantee programs
3 (72-4340-0-3-151);

4 “Agricultural credit insurance fund (12-
5 4140-0-1-351);”.

6 (B) In the item relating to Check forgery,
7 strike “Check” and insert “United States Treasury
8 check”.

9 (C) Strike “Community development grant loan
10 guarantees (86-0162-0-1-451);”.

11 (D) After the item relating to the United States
12 Treasury Check forgery insurance fund, insert the
13 following new item:

14 “Credit liquidating accounts;”.

15 (E) Strike the following items:

16 “Credit union share insurance fund (25-
17 4468-0-3-371);

18 “Economic development revolving fund
19 (13-4406-0-3);

20 “Export-Import Bank of the United
21 States, Limitation of program activity (83-
22 4027-0-1-155);

23 “Federal deposit Insurance Corporation
24 (51-8419-0-8-371);

1 “Federal Housing Administration fund
2 (86-4070-0-3-371);

3 “Federal ship financing fund (69-4301-0-
4 3-403);

5 “Federal ship financing fund, fishing ves-
6 sels (13-4417-0-3-376);

7 “Government National Mortgage Associa-
8 tion, Guarantees of mortgage-backed securities
9 (86-4238-0-3-371);

10 “Health education loans (75-4307-0-3-
11 553);

12 “Indian loan guarantee and insurance fund
13 (14-4410-0-3-452);

14 “Railroad rehabilitation and improvement
15 financing fund (69-4411-0-3-401);

16 “Rural development insurance fund (12-
17 4155-0-3-452);

18 “Rural electric and telephone revolving
19 fund (12-4230-8-3-271);

20 “Rural housing insurance fund (12-4141-
21 0-3-371);

22 “Small Business Administration, Business
23 loan and investment fund (73-4154-0-3-376);

24 “Small Business Administration, Lease
25 guarantees revolving fund (73-4157-0-3-376);

1 “Small Business Administration, Pollution
2 control equipment contract guarantee revolving
3 fund (73-4147-0-3-376);

4 “Small Business Administration, Surety
5 bond guarantees revolving fund (73-4156-0-3-
6 376);

7 “Department of Veterans Affairs Loan
8 guaranty revolving fund (36-4025-0-3-704);”.

9 (d) LOW-INCOME PROGRAMS.—Section 255(h) of the
10 Balanced Budget and Emergency Deficit Control Act of
11 1985 is amended as follows:

12 (1) Amend the item relating to Child nutrition
13 to read as follows:

14 “State child nutrition programs (with the
15 exception of special milk programs) (12-3539-
16 0-1-605);”.

17 (2) Amend the item relating to the Women, in-
18 fants, and children program to read as follows:

19 “Special supplemental nutrition program
20 for women, infants, and children (WIC) (12-
21 3510-0-1-605).”.

22 (e) IDENTIFICATION OF PROGRAMS.—Section 255(i)
23 of the Balanced Budget and Emergency Deficit Control
24 Act of 1985 is amended to read as follows:

1 “(i) IDENTIFICATION OF PROGRAMS.—For purposes
2 of subsections (b), (g), and (h), each account is identified
3 by the designated budget account identification code num-
4 ber set forth in the Budget of the United States Govern-
5 ment 1996—Appendix, and an activity within an account
6 is designated by the name of the activity and the identi-
7 fication code number of the account.”.

8 (f) OPTIONAL EXEMPTION OF MILITARY PERSON-
9 NEL.—Section 255(h) of the Balanced Budget and Emer-
10 gency Deficit Control Act of 1985 (relating to optional ex-
11 emption of military personnel) is repealed.

12 **SEC. 11208. GENERAL AND SPECIAL SEQUESTRATION**
13 **RULES.**

14 (a) SECTION HEADING.—(1) The section heading of
15 section 256 of the Balanced Budget and Emergency Defi-
16 cit Control Act of 1985 is amended by striking “**EXCEP-**
17 **TIONS, LIMITATIONS, AND SPECIAL RULES**” and in-
18 serting “**GENERAL AND SPECIAL SEQUESTRATION**
19 **RULES**”.

20 (2) The item relating to section 256 in the table con-
21 tents set forth in section 250(a) of the Balanced Budget
22 and Emergency Deficit Control Act of 1985 is amended
23 to read as follows:

“Sec. 256. General and special sequestration rules.”.

24 (b) AUTOMATIC SPENDING INCREASES.—Section
25 256(a) of the Balanced Budget and Emergency Deficit

1 Control Act of 1985 is amended by striking paragraph (1)
2 and redesignating paragraphs (2) and (3) as paragraphs
3 (1) and (2), respectively.

4 (c) GUARANTEED AND DIRECT STUDENT LOAN PRO-
5 GRAMS.—Section 256(b) of the Balanced Budget and
6 Emergency Deficit Control Act of 1985 is amended to
7 read as follows:

8 “(b) STUDENT LOANS.—(1) For all student loans
9 under part B or D of title IV of the Higher Education
10 Act of 1965 made during the period when a sequestration
11 order under section 254 is in effect, origination fees under
12 sections 438(c)(2) and 455(c) of that Act shall be in-
13 creased by a uniform percentage sufficient to produce the
14 dollar savings in student loan programs (as a result of
15 that sequestration order) required by section 252 or 253,
16 as applicable.

17 “(2) For any loan made during the period beginning
18 on the date that an order issued under section 254 takes
19 effect with respect to a fiscal year and ending at the close
20 of such fiscal year, the origination fees which are author-
21 ized to be collected pursuant to sections 438(c)(2) and
22 455(c) of such Act shall be increased by 0.50 percent.”.

23 (d) HEALTH CENTERS.—Section 256(e)(1) of the
24 Balanced Budget and Emergency Deficit Control Act of

1 1985 is amended by striking the dash and all that follows
2 thereafter and inserting “2 percent.”.

3 (e) FEDERAL PAY.—Section 256(g)(1) of the Bal-
4 anced Budget and Emergency Deficit Control Act of 1985
5 is amended by inserting “(including any amount payable
6 under section 5303 or 5304 of title 5, United States
7 Code)” after “such statutory pay system”.

8 (f) TREATMENT OF FEDERAL ADMINISTRATIVE EX-
9 PENSES.—Section 256(h)(4) of the Balanced Budget and
10 Emergency Deficit Control Act of 1985 is amended by
11 striking subparagraphs (D) and (H), by redesignating
12 subparagraphs (E), (F), (G), and (I), as subparagraphs
13 (D), (E), (F), and (G), respectively, and by adding at the
14 end the following new subparagraph:

15 “(H) Farm Credit Administration.”.

16 (g) COMMODITY CREDIT CORPORATION.—Section
17 256(j)(5) of the Balanced Budget and Emergency Deficit
18 Control Act of 1985 is amended to read as follows:

19 “(5) DAIRY PROGRAM.—Notwithstanding other
20 provisions of this subsection, as the sole means of
21 achieving any reduction in outlays under the milk
22 price support program, the Secretary of Agriculture
23 shall provide for a reduction to be made in the price
24 received by producers for all milk produced in the
25 United States and marketed by producers for com-

1 mercial use. That price reduction (measured in cents
2 per hundred weight of milk marketed) shall occur
3 under section 201(d)(2)(A) of the Agricultural Act
4 of 1949 (7 U.S.C. 1446(d)(2)(A)), shall begin on the
5 day any sequestration order is issued under section
6 254, and shall not exceed the aggregate amount of
7 the reduction in outlays under the milk price sup-
8 port program that otherwise would have been
9 achieved by reducing payments for the purchase of
10 milk or the products of milk under this subsection
11 during the applicable fiscal year.”.

12 (h) EFFECTS OF SEQUESTRATION.—Section 256(k)
13 of the Balanced Budget and Emergency Deficit Control
14 Act of 1985 is amended as follows:

15 (1) In paragraph (1), strike “other than a trust
16 or special fund account” and insert “, except as pro-
17 vided in paragraph (5)” before the period.

18 (2) Strike paragraph (4), redesignate para-
19 graphs (5) and (6) as paragraphs (4) and (5), re-
20 spectively, and amend paragraph (5) (as redesign-
21 nated) to read as follows:

22 “(5) Budgetary resources sequestered in revolv-
23 ing, trust, and special fund accounts, and offsetting
24 collections sequestered in appropriation accounts
25 shall not be available for obligation during the fiscal

1 year in which the sequestration occurs, but shall be
2 available in subsequent years to the extent otherwise
3 provided in law.”.

4 **SEC. 11209. THE BASELINE.**

5 Section 257 of the Balanced Budget and Emergency
6 Deficit Control Act of 1985 is amended—

7 (1) in subsection (b)(2) by amending subparagraph
8 (A) to read as follows:

9 “(A)(i) Except as provided in clause (ii), no
10 program with estimated current year outlays greater
11 than \$50,000,000 shall be assumed to expire in the
12 budget year or the outyears.

13 “(ii) Clause (i) shall not apply to a program if
14 legislation establishing or modifying that program
15 contains a provision stating ‘Section 257(b)(2) of
16 the Balanced Budget and Emergency Deficit Control
17 Act of 1985 shall not apply to the program specified
18 in ____ of this Act.’, the blank space being filled in
19 with the appropriate section or sections of that legis-
20 lation.

21 “(iii) No bill, resolution, amendment, motion, or
22 conference report shall be subject to a point of order
23 under section 306 of the Congressional Budget Act
24 of 1974 solely because it includes the provision spec-
25 ified in clause (ii).

1 “(iv) Upon the expiration of the suspensions
2 contained in section 171 of Public Law 104–193
3 with regard to a program in such Act with estimated
4 fiscal year outlays greater than \$50,000,000, that
5 program shall be assumed to operate under that Act
6 as in effect immediately before reversion to the laws
7 suspended by such Act.”

8 (2) by adding the end of subsection (b)(2) the
9 following new subparagraph:

10 “(D) If any law expires before the budget year
11 or any outyear, then any program with estimated
12 current year outlays greater than \$50 million which
13 operates under that law shall be assumed to con-
14 tinue to operate under that law as in effect imme-
15 diately before its expiration.”;

16 (3) in the second sentence of subsection (c)(5),
17 by striking “national product fixed-weight price
18 index” and inserting “domestic product chain-type
19 price index”; and

20 (4) by striking subsection (e) and inserting the
21 following:

22 “(e) ASSET SALES.—Amounts realized from the sale
23 of an asset other than a loan asset shall not be counted
24 against legislation if that sale would result in a financial
25 cost to the Federal Government.”.

1 **SEC. 11210. TECHNICAL CORRECTION.**

2 Section 258 of the Balanced Budget and Emergency
3 Deficit Control Act of 1985, entitled "Modification of
4 Presidential Order", is repealed.

5 **SEC. 11211. JUDICIAL REVIEW.**

6 Section 274 of the Balanced Budget and Emergency
7 Deficit Control Act of 1985 is amended as follows:

8 (1) Strike "252" or "252(b)" each place it oc-
9 curs and insert "254".

10 (2) In subsection (d)(1)(A), strike "257(l) to
11 the extent that" and insert "256(a) if", strike the
12 parenthetical phrase, and at the end insert "or".

13 (3) In subsection (d)(1)(B), strike "new budg-
14 et" and all that follows through "spending author-
15 ity" and insert "budgetary resources" and strike
16 "or" after the comma.

17 (4) Strike subsection (d)(1)(C).

18 (5) Strike subsection (f) and redesignate sub-
19 sections (g) and (h) as subsections (f) and (g), re-
20 spectively.

21 (6) In subsection (g) (as redesignated), strike
22 "base levels of total revenues and total budget out-
23 lays, as" and insert "figures", and "251(a)(2)(B) or
24 (c)(2)," and insert "254".

1 **SEC. 11212. EFFECTIVE DATE.**

2 (a) EXPIRATION.—Section 275(b) of the Balanced
3 Budget and Emergency Deficit Control Act of 1985 is
4 amended—

5 (1) by striking “Part C of this title, section”
6 and inserting “Sections 251, 253, 258B, and”;

7 (2) by striking “1995” and inserting “2002”;
8 and

9 (3) by adding at the end the following new sen-
10 tence: “The remaining sections of part C of this title
11 shall expire September 30, 2006.”.

12 (b) EXPIRATION.—Section 14002(c)(3) of the Omni-
13 bus Budget Reconciliation Act of 1993 (2 U.S.C. 900
14 note) is repealed.

15 **SEC. 11213. REDUCTION OF PREEXISTING BALANCES AND**
16 **EXCLUSION OF EFFECTS OF THIS ACT FROM**
17 **PAYGO SCORECARD.**

18 Upon the enactment of this Act, the Director of the
19 Office of Management and Budget shall—

20 (1) reduce any balances of direct spending and
21 receipts legislation for any fiscal year under section
22 252 of the Balanced Budget and Emergency Deficit
23 Control Act of 1985 to zero; and

24 (2) not make any estimates of changes in direct
25 spending outlays and receipts under subsection (d)
26 of such section 252 for any fiscal year resulting

1 from the enactment of this Act or the Revenue Rec-
2 onciliation Act of 1997.

Passed the House of Representatives June 25, 1997.

Attest:

ROBIN H. CARLE,

Clerk.

Calendar No. 91

105TH CONGRESS
1ST SESSION**S. 947**

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Balanced Budget Act
5 of 1997".

6 **SEC. 2. TABLE OF TITLES.**

7 The table of titles for this Act is as follows:

	Page
Title I. Committee on Agriculture, Nutrition, and Forestry	2
Title II. Committee on Banking, Housing, and Urban Affairs	11
Title III. Committee on Commerce, Science, and Transportation	92

Title IV. Committee on Energy and Natural Resources	129
Title V. Committee on Finance	130
Title VI. Committee on Governmental Affairs	1027
Title VII. Committee on Labor and Human Resources	1049
Title VIII. Committee on Veterans' Affairs	1056

10 **TITLE V—COMMITTEE ON**
11 **FINANCE**

12 **SEC. 5000. AMENDMENTS TO SOCIAL SECURITY ACT AND**
13 **REFERENCES TO OBRA; TABLE OF CONTENTS**
14 **OF TITLE.**

15 (a) AMENDMENTS TO SOCIAL SECURITY ACT.—Ex-
16 cept as otherwise specifically provided, whenever in this
17 title an amendment is expressed in terms of an amend-
18 ment to or repeal of a section or other provision, the ref-
19 erence shall be considered to be made to that section or
20 other provision of the Social Security Act.

21 (b) REFERENCES TO OBRA.—In this title, the terms
22 “OBRA-1986”, “OBRA-1987”, “OBRA-1989”,
23 “OBRA-1990”, and “OBRA-1993” refer to the Omnibus
24 Budget Reconciliation Act of 1986 (Public Law 99-509),
25 the Omnibus Budget Reconciliation Act of 1987 (Public

1 Law 100-203), the Omnibus Budget Reconciliation Act
 2 of 1989 (Public Law 101-239), the Omnibus Budget Rec-
 3 onciliation Act of 1990 (Public Law 101-508), and the
 4 Omnibus Budget Reconciliation Act of 1993 (Public Law
 5 103-66), respectively.

6 (c) TABLE OF CONTENTS.—The table of contents of
 7 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.

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. 5021. National Bipartisan Commission on the Future of Medicare.
 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

Sec. 5041. Medicare Choice competitive pricing demonstration project.
 Sec. 5042. Determination of annual Medicare Choice capitation rates.
 Sec. 5043. Benefits and beneficiary premiums.

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.

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.

CHAPTER 3—CLARIFICATIONS AND TECHNICAL CHANGES

- Sec. 5221. 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. Basing updates to per diem limits effective for fiscal year 1998 on cost limits effective for fiscal year 1997.
- 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. 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.

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. 5501. Establishment of single conversion factor for 1998.
- 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.
- Sec. 5504. Payment rules for anesthesia services.
- Sec. 5505. Implementation of resource-based physician practice expense.
- Sec. 5506. Increased medicare reimbursement for nurse practitioners and clinical nurse specialists.
- Sec. 5507. Increased medicare reimbursement for physician assistants.
- Sec. 5508. Chiropractic services coverage demonstration project.

CHAPTER 2—OTHER PAYMENT PROVISIONS

- Sec. 5521. Reduction in updates to payment amounts for clinical diagnostic laboratory tests; study on laboratory services.
- Sec. 5522. Improvements in administration of laboratory services benefit.
- Sec. 5523. Payments for durable medical equipment.
- Sec. 5524. Oxygen and oxygen equipment.
- Sec. 5525. Updates for ambulatory surgical services.
- Sec. 5526. Reimbursement for drugs and biologicals.

CHAPTER 3—PART B PREMIUM AND RELATED PROVISIONS

- Sec. 5541. Part B premium.
 Sec. 5542. Income-related reduction in medicare part B deductible to reflect recapture of part B subsidy.

Subtitle H—Provisions Relating to Parts A and B

CHAPTER 1—SECONDARY PAYOR PROVISIONS

- Sec. 5601. Extension and expansion of existing requirements.
 Sec. 5602. Improvements in recovery of payments.

CHAPTER 2—OTHER PROVISIONS

- Sec. 5611. Conforming age for eligibility under medicare to retirement age for social security benefits.
 Sec. 5612. Increased certification period for certain organ procurement organizations.

DIVISION 2—MEDICAID AND CHILDREN'S HEALTH INSURANCE INITIATIVES

Subtitle I—Medicaid

CHAPTER 1—MEDICAID SAVINGS

SUBCHAPTER A—MANAGED CARE REFORMS

- Sec. 5701. State option for mandatory managed care.

"PART B—PROVISIONS RELATING TO MANAGED CARE

- "Sec. 1941. Beneficiary choice; enrollment.
 "Sec. 1942. Beneficiary access to services generally.
 "Sec. 1943. Requirements for access to emergency care.
 "Sec. 1944. Other beneficiary protections.
 "Sec. 1945. Assuring quality care.
 "Sec. 1946. Protections for providers.
 "Sec. 1947. Assuring adequacy of payments to medicaid managed care organizations and entities.
 "Sec. 1948. Fraud and abuse.
 "Sec. 1949. Sanctions for noncompliance by managed care entities.
 "Sec. 1950. Definitions; miscellaneous provisions."
 Sec. 5702. Primary care case management services as State option without need for waiver.
 Sec. 5703. Additional reforms to expand and simplify managed care.

SUBCHAPTER B—MANAGEMENT FLEXIBILITY REFORMS

- Sec. 5711. Elimination of Boren amendment requirements for provider payment rates.
 Sec. 5712. Medicaid payment rates for qualified medicare beneficiaries.
 Sec. 5713. No waiver required for provider selectivity.

SUBCHAPTER C—REDUCTION OF DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

- Sec. 5721. Disproportionate share hospital (DSH) payments.

CHAPTER 2—EXPANSION OF MEDICAID ELIGIBILITY

- Sec. 5731. State option to permit workers with disabilities to buy into medicaid.
- Sec. 5732. 12-month continuous eligibility for children.

CHAPTER 3—PROGRAMS OF ALL-INCLUSIVE CARE FOR THE ELDERLY
(PACE)

- Sec. 5741. Establishment of PACE program as medicaid State option.
- Sec. 5742. Effective date; transition.
- Sec. 5743. Study and reports.

CHAPTER 4—MEDICAID MANAGEMENT AND PROGRAM REFORMS

- Sec. 5751. Elimination of requirement to pay for private insurance.
- Sec. 5752. Elimination of obstetrical and pediatric payment rate requirements.
- Sec. 5753. Physician qualification requirements.
- Sec. 5754. Expanded cost-sharing requirements.
- Sec. 5755. Penalty for fraudulent eligibility.
- Sec. 5756. Elimination of waste, fraud, and abuse.
- Sec. 5757. Study on EPSDT benefits.
- Sec. 5758. Study on effectiveness of managed care entities in meeting the needs of enrollees with special health care needs.

CHAPTER 5—MISCELLANEOUS

- Sec. 5761. Increased FMAPs.
- Sec. 5762. Increase in payment caps for territories.
- Sec. 5763. Community-based mental health services.
- Sec. 5764. Optional medicaid coverage of certain CDC-screened breast cancer patients.
- Sec. 5765. Treatment of State taxes imposed on certain hospitals that provide free care.
- Sec. 5766. Treatment of veterans pensions under medicaid.
- Sec. 5767. Effective date.

Subtitle J—Children’s Health Insurance Initiatives

- Sec. 5801. Establishment of children’s health insurance initiatives.

“TITLE XXI—CHILD HEALTH INSURANCE INITIATIVES

- “Sec. 2101. Purpose.
- “Sec. 2102. Definitions.
- “Sec. 2103. Appropriation.
- “Sec. 2104. Program outline.
- “Sec. 2105. Distribution of funds.
- “Sec. 2106. Use of funds.
- “Sec. 2107. State option for the purchase or provision of children’s health insurance.
- “Sec. 2108. Program integrity.
- “Sec. 2109. Annual reports.”

DIVISION 3—INCOME SECURITY AND OTHER PROVISIONS

Subtitle K—Income Security, Welfare-to-Work Grant Program, and Other Provisions

CHAPTER 1—INCOME SECURITY

- Sec. 5811. SSI eligibility for aliens receiving SSI on August 22, 1996.
- Sec. 5812. Extension of eligibility period for refugees and certain other qualified aliens from 5 to 7 years for SSI and medicaid.
- Sec. 5813. SSI eligibility for permanent resident aliens who are members of an Indian tribe.
- Sec. 5814. SSI eligibility for disabled legal aliens in the United States on August 22, 1996.
- Sec. 5815. Exemption from restriction on supplemental security income program participation by certain recipients eligible on the basis of very old applications.
- Sec. 5816. Reinstatement of eligibility for benefits.
- Sec. 5817. Exemption for children who are legal aliens from 5-year ban on medicaid eligibility.
- Sec. 5818. Effective date.

CHAPTER 2—WELFARE-TO-WORK GRANT PROGRAM

- Sec. 5821. Welfare-to-Work grants.
- Sec. 5822. Enrollment flexibility.
- Sec. 5823. Clarification of a State's ability to sanction an individual receiving assistance under TANF for noncompliance.

CHAPTER 3—UNEMPLOYMENT COMPENSATION

- Sec. 5831. Increase in Federal unemployment account ceiling.
- Sec. 5832. Special distribution to States from unemployment trust fund.
- Sec. 5833. Clarifying provision relating to base periods.
- Sec. 5834. Treatment of certain services performed by inmates.

DIVISION 4—EARNED INCOME CREDIT AND OTHER PROVISIONS

Subtitle L—Earned Income Credit and Other Provisions

CHAPTER 1—EARNED INCOME CREDIT

- Sec. 5851. Restrictions on availability of earned income credit for taxpayers who improperly claimed credit in prior year.

CHAPTER 2—INCREASE IN PUBLIC DEBT LIMIT

- Sec. 5861. Increase in public debt limit.

CHAPTER 3—MISCELLANEOUS

- Sec. 5871. Sense of the Senate regarding the correction of cost-of-living adjustments.

Subtitle M—Welfare Reform Technical Corrections

- Sec. 5900. Short title of subtitle.

CHAPTER 1—BLOCK GRANTS FOR TEMPORARY ASSISTANCE TO NEEDY FAMILIES

- Sec. 5901. Amendment of the Social Security Act.
- Sec. 5902. Eligible States; State plan.
- Sec. 5903. Grants to States.

- Sec. 5904. Use of grants.
- Sec. 5905. Mandatory work requirements.
- Sec. 5906. Prohibitions; requirements.
- Sec. 5907. Penalties.
- Sec. 5908. Data collection and reporting.
- Sec. 5909. Direct funding and administration by Indian tribes.
- Sec. 5910. Research, evaluations, and national studies.
- Sec. 5911. Report on data processing.
- Sec. 5912. Study on alternative outcomes measures.
- Sec. 5913. Limitation on payments to the territories.
- Sec. 5914. Conforming amendments to the Social Security Act.
- Sec. 5915. Other conforming amendments.
- Sec. 5916. Modifications to the job opportunities for certain low-income individuals program.
- Sec. 5917. Denial of assistance and benefits for drug-related convictions.
- Sec. 5918. Transition rule.
- Sec. 5919. Effective dates.

CHAPTER 2—SUPPLEMENTAL SECURITY INCOME

- Sec. 5921. Conforming and technical amendments relating to eligibility restrictions.
- Sec. 5922. Conforming and technical amendments relating to benefits for disabled children.
- Sec. 5923. Additional technical amendments to title XVI.
- Sec. 5924. Additional technical amendments relating to title XVI.
- Sec. 5925. Effective dates.

CHAPTER 3—CHILD SUPPORT

- Sec. 5935. State obligation to provide child support enforcement services.
- Sec. 5936. Distribution of collected support.
- Sec. 5937. Civil penalties relating to State directory of new hires.
- Sec. 5938. Federal Parent Locator Service.
- Sec. 5939. Access to registry data for research purposes.
- Sec. 5940. Collection and use of social security numbers for use in child support enforcement.
- Sec. 5941. Adoption of uniform State laws.
- Sec. 5942. State laws providing expedited procedures.
- Sec. 5943. Voluntary paternity acknowledgement.
- Sec. 5944. Calculation of paternity establishment percentage.
- Sec. 5945. Means available for provision of technical assistance and operation of Federal Parent Locator Service.
- Sec. 5946. Authority to collect support from Federal employees.
- Sec. 5947. Definition of support order.
- Sec. 5948. State law authorizing suspension of licenses.
- Sec. 5949. International support enforcement.
- Sec. 5950. Child support enforcement for Indian tribes.
- Sec. 5951. Continuation of rules for distribution of support in the case of a title IV-E child.
- Sec. 5952. Good cause in foster care and food stamp cases.
- Sec. 5953. Date of collection of support.
- Sec. 5954. Administrative enforcement in interstate cases.
- Sec. 5955. Work orders for arrearages.
- Sec. 5956. Additional technical State plan amendments.
- Sec. 5957. Federal case registry of child support orders.

- Sec. 5958. Full faith and credit for child support orders.
- Sec. 5959. Development costs of automated systems.
- Sec. 5960. Additional technical amendments.
- Sec. 5961. Effective date.

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.
- Sec. 5966. Exceptions to benefit limitations: corrections to reference concerning aliens whose deportation is withheld.
- Sec. 5967. Veterans exception: application of minimum active duty service requirement; extension to unremarried surviving spouse; expanded definition of veteran.
- Sec. 5968. Correction of reference concerning Cuban and Haitian entrants.
- Sec. 5969. Notification concerning aliens not lawfully present: correction of terminology.
- Sec. 5970. Freely associated States: contracts and licenses.
- Sec. 5971. Congressional statement regarding benefits for Hmong and other Highland Lao veterans.

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.
- Sec. 5973. Verification of eligibility for benefits.
- 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.
- Sec. 5975. Statutory construction: benefit eligibility limitations applicable only with respect to aliens present in the United States.

SUBCHAPTER C—MISCELLANEOUS CLERICAL AND TECHNICAL AMENDMENTS; EFFECTIVE DATE

- 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.

1 **Subtitle D—Anti-Fraud and Abuse**
 2 **Provisions and Improvements in**
 3 **Protecting Program Integrity**

15 **CHAPTER 2—IMPROVEMENTS IN**
 16 **PROTECTING PROGRAM INTEGRITY**

5 **SEC. 5212. PROVISION OF CERTAIN IDENTIFICATION NUM-**
 6 **BERS.**

7 (a) **REQUIREMENTS TO DISCLOSE EMPLOYER IDEN-**
 8 **TIFICATION NUMBERS (EINS) AND SOCIAL SECURITY AC-**
 9 **COUNT NUMBERS (SSNs).—Section 1124(a)(1) (42**
 10 **U.S.C. 1320a–3(a)(1)) is amended by inserting before the**
 11 **period at the end the following: “and supply the Secretary**
 12 **with the both the employer identification number (as-**
 13 **signed pursuant to section 6109 of the Internal Revenue**
 14 **Code of 1986) and social security account number (as-**
 15 **signed under section 205(c)(2)(B)) of the disclosing en-**
 16 **tity, each person with an ownership or control interest (as**
 17 **defined in subsection (a)(3)), and any subcontractor in**
 18 **which the entity directly or indirectly has a 5 percent or**
 19 **more ownership interest”.**

20 (b) **OTHER MEDICARE PROVIDERS.—Section 1124A**
 21 **(42 U.S.C. 1320a–3a) is amended—**

22 (1) in subsection (a)—

23 (A) in paragraph (1), by striking “and” at
 24 the end;

1 (B) in paragraph (2), by striking the pe-
2 riod at the end and inserting “; and”; and

3 (C) by adding at the end the following:

4 “(3) including the employer identification num-
5 ber (assigned pursuant to section 6109 of the Inter-
6 nal Revenue Code of 1986) and social security ac-
7 count number (assigned under section 205(c)(2)(B))
8 of the disclosing part B provider and any person,
9 managing employee, or other entity identified or de-
10 scribed under paragraph (1) or (2).”; and

11 (2) in subsection (c)(1), by inserting “(or, for
12 purposes of subsection (a)(3), any entity receiving
13 payment)” after “on an assignment-related basis”.

14 (c) VERIFICATION BY SOCIAL SECURITY ADMINIS-
15 TRATION (SSA).—Section 1124A (42 U.S.C. 1320a–3a),
16 as amended by subsection (b), is amended—

17 (1) by redesignating subsection (c) as sub-
18 section (d); and

19 (2) by inserting after subsection (b) the follow-
20 ing:

21 “(c) VERIFICATION.—

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

24 “(A) to the Commissioner of Social Secu-
25 rity information concerning each social security

1 account number (assigned under section
2 205(c)(2)(B)), and

3 “(B) to the Secretary of the Treasury in-
4 formation concerning each employer identifica-
5 tion number (assigned pursuant to section 6109
6 of the Internal Revenue Code of 1986),

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

11 “(2) VERIFICATION.—The Commissioner of So-
12 cial Security and the Secretary of the Treasury shall
13 verify the accuracy of, or correct, the information
14 supplied by the Secretary to such official pursuant
15 to paragraph (1), and shall report such verifications
16 or corrections to the Secretary.

17 “(3) FEES FOR VERIFICATION.—The Secretary
18 shall reimburse the Commissioner and Secretary of
19 the Treasury, at a rate negotiated between the Sec-
20 retary and such official, for the costs incurred by
21 such official in performing the verification and cor-
22 rection services described in this subsection.”.

23 (d) REPORT.—The Secretary of Health and Human
24 Services shall submit to Congress a report on steps the
25 Secretary has taken to assure the confidentiality of social

1 security account numbers that will be provided to the Sec-
2 retary under the amendments made by this section.

3 (e) EFFECTIVE DATES.—

4 (1) DISCLOSURE REQUIREMENTS.—The amend-
5 ment made by subsection (a) shall apply to the ap-
6 plication of conditions of participation, and entering
7 into and renewal of contracts and agreements, oc-
8 ccurring more than 90 days after the date of submis-
9 sion of the report under subsection (d).

10 (2) OTHER PROVIDERS.—The amendments
11 made by subsection (b) shall apply to payment for
12 items and services furnished more than 90 days
13 after the date of submission of such report.

3 **DIVISION 3—INCOME SECURITY**
 4 **AND OTHER PROVISIONS**
 5 **Subtitle K—Income Security, Wel-**
 6 **fare-to-Work Grant Program,**
 7 **and Other Provisions**
 8 **CHAPTER 1—INCOME SECURITY**

9 **SEC. 5811. SSI ELIGIBILITY FOR ALIENS RECEIVING SSI ON**
 10 **AUGUST 22, 1996.**

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

15 “(E) **ALIENS RECEIVING SSI ON AUGUST**
 16 **22, 1996.**—With respect to eligibility for benefits
 17 for the program defined in paragraph (3)(A)
 18 (relating to the supplemental security income
 19 program), paragraph (1) shall not apply to an
 20 alien who is lawfully residing in any State and
 21 who was receiving such benefits on August 22,
 22 1996.”.

23 (b) **STATUS OF CUBAN AND HAITIAN ENTRANTS.**—
 24 For purposes of section 402(a)(2)(E) of the Personal Re-
 25 sponsibility and Work Opportunity Reconciliation Act of

1 1996 (8 U.S.C. 1612(a)(2)(E)), an alien who is a Cuban
 2 and Haitian entrant, as defined in section 501(e) of the
 3 Refugee Education Assistance Act of 1980, shall be con-
 4 sidered a qualified alien.

5 (c) CONFORMING AMENDMENTS.—Section
 6 402(a)(2)(D) of the Personal Responsibility and Work Op-
 7 portunity Reconciliation Act of 1996 (8 U.S.C.
 8 1612(a)(D)) is amended—

- 9 (1) by striking clause (i);
 10 (2) in the subparagraph heading by striking
 11 “BENEFITS” and inserting “FOOD STAMPS”;
 12 (3) by striking “(ii) FOOD STAMPS”; and
 13 (4) by redesignating subclauses (I), (II), and
 14 (III) as clauses (i), (ii), and (iii).

15 **SEC. 5812. EXTENSION OF ELIGIBILITY PERIOD FOR REFU-**
 16 **GEES AND CERTAIN OTHER QUALIFIED**
 17 **ALIENS FROM 5 TO 7 YEARS FOR SSI AND**
 18 **MEDICAID.**

19 (a) SSI.—Section 402(a)(2)(A) of the Personal Re-
 20 sponsibility and Work Opportunity Reconciliation Act of
 21 1996 (8 U.S.C. 1612(a)(2)(A)) is amended to read as fol-
 22 lows:

23 “(A) TIME-LIMITED EXCEPTION FOR REF-
 24 UGEES AND ASYLEES.—

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

5 “(I) an alien is admitted to the
6 United States as a refugee under sec-
7 tion 207 of the Immigration and Na-
8 tionality Act;

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

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

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

19 “(I) an alien is admitted to the
20 United States as a refugee under sec-
21 tion 207 of the Immigration and Na-
22 tionality Act;

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

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

4 (b) MEDICAID.—Section 402(b)(2)(A) of the Per-
5 sonal Responsibility and Work Opportunity Reconciliation
6 Act of 1996 (8 U.S.C. 1612(b)(2)(A)) is amended to read
7 as follows:

8 “(A) TIME-LIMITED EXCEPTION FOR REF-
9 UGEES AND ASYLEES.—

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

15 “(I) an alien is admitted to the
16 United States as a refugee under sec-
17 tion 207 of the Immigration and Na-
18 tionality Act;

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

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

24 “(ii) OTHER DESIGNATED FEDERAL
25 PROGRAMS.—With respect to the des-

1 ignated Federal programs under paragraph
2 (3) (other than subparagraph (C)), para-
3 graph 1 shall not apply to an alien until 5
4 years after the date—

5 “(I) an alien is admitted to the
6 United States as a refugee under sec-
7 tion 207 of the Immigration and Na-
8 tionality Act;

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

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

14 (c) STATUS OF CUBAN AND HAITIAN ENTRANTS.—
15 For purposes of sections 402(a)(2)(A) and 402(b)(2)(A)
16 of the Personal Responsibility and Work Opportunity Rec-
17 onciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A),
18 (b)(2)(A)), an alien who is a Cuban and Haitian entrant,
19 as defined in section 501(e) of the Refugee Education As-
20 sistance Act of 1980, shall be considered a refugee.

21 **SEC. 5813. SSI ELIGIBILITY FOR PERMANENT RESIDENT**
22 **ALIENS WHO ARE MEMBERS OF AN INDIAN**
23 **TRIBE.**

24 Section 402(a)(2) of the Personal Responsibility and
25 Work Opportunity Reconciliation Act of 1996 (8 U.S.C.

1 1612(a)(2)) (as amended by section 5811) is amended by
 2 adding at the end the following:

3 “(F) PERMANENT RESIDENT ALIENS WHO
 4 ARE MEMBERS OF AN INDIAN TRIBE.—With re-
 5 spect to eligibility for benefits for the program
 6 defined in paragraph (3)(A) (relating to the
 7 supplemental security income program), para-
 8 graph (1) shall not apply to an alien who—

9 “(i) is lawfully admitted for perma-
 10 nent residence under the Immigration and
 11 Nationality Act; and

12 “(ii) is a member of an Indian tribe
 13 (as defined in section 4(e) of the Indian
 14 Self-Determination and Education Assist-
 15 ance Act).”.

16 **SEC. 5814. SSI ELIGIBILITY FOR DISABLED LEGAL ALIENS**
 17 **IN THE UNITED STATES ON AUGUST 22, 1996.**

18 Section 402(a)(2) of the Personal Responsibility and
 19 Work Opportunity Reconciliation Act of 1996 (8 U.S.C.
 20 1612(a)(2)) (as amended by section 5813) is amended by
 21 adding at the end the following:

22 “(G) DISABLED ALIENS LAWFULLY RESID-
 23 ING IN THE UNITED STATES ON AUGUST 22,
 24 1996.—With respect to eligibility for benefits for
 25 the program defined in paragraph (3)(A) (relat-

1 ing to the supplemental security income pro-
 2 gram), paragraph (1) shall not apply to an
 3 alien who—

4 “(i) is lawfully residing in any State
 5 on August 22, 1996; and

6 “(ii) is disabled, as defined in section
 7 1614(a)(3) of the Social Security Act (42
 8 U.S.C. 1382c(a)(3)),

9 but only if the alien applies for benefits under
 10 such program on or before September 30,
 11 1997.”.

12 **SEC. 5815. EXEMPTION FROM RESTRICTION ON SUPPLE-**
 13 **MENTAL SECURITY INCOME PROGRAM PAR-**
 14 **TICIPATION BY CERTAIN RECIPIENTS ELIGI-**
 15 **BLE ON THE BASIS OF VERY OLD APPLICA-**
 16 **TIONS.**

17 Section 402(a)(2) of the Personal Responsibility and
 18 Work Opportunity Reconciliation Act of 1996 (8 U.S.C.
 19 1612(a)(2)) (as amended by section 5814) is amended by
 20 adding at the end the following:

21 “(H) SSI EXCEPTION FOR CERTAIN RE-
 22 CIPIENTS ON THE BASIS OF VERY OLD APPLICA-
 23 TIONS.—With respect to eligibility for benefits
 24 for the program defined in paragraph (3)(A)
 25 (relating to the supplemental security income

1 program), paragraph (1) shall not apply to any
2 individual—

3 “(i) who is receiving benefits under
4 such program for months after July 1996
5 on the basis of an application filed before
6 January 1, 1979; and

7 “(ii) with respect to whom the Com-
8 missioner of Social Security lacks clear and
9 convincing evidence that such individual is
10 an alien ineligible for such benefits as a re-
11 sult of the application of this section.”.

12 **SEC. 5816. REINSTATEMENT OF ELIGIBILITY FOR BENE-**
13 **FITS.**

14 (a) **FOOD STAMPS.**—The Personal Responsibility and
15 Work Opportunity Reconciliation Act of 1996 is amended
16 by adding after section 435 the following new section:

17 **“SEC. 436. DERIVATIVE ELIGIBILITY FOR BENEFITS.**

18 Notwithstanding any other provision of law, an alien
19 who under the provisions of this title is ineligible for bene-
20 fits under the food stamp program (as defined in section
21 402(a)(3)(A)) shall not be eligible for such benefits be-
22 cause the alien receives benefits under the supplemental
23 security income program (as defined in section
24 402(a)(3)(B)).”.

1 (b) MEDICAID.—Section 402(b)(2) of the Personal
 2 Responsibility and Work Opportunity Reconciliation Act
 3 of 1996 (8 U.S.C. 1612(b)(2)) is amended by adding at
 4 the end the following:

5 “(E) MEDICAID EXCEPTION FOR ALIENS
 6 RECEIVING SSI.—An alien who is receiving ben-
 7 efits under the program defined in subsection
 8 (a)(3)(A) (relating to the supplemental security
 9 income program) shall be eligible for medical
 10 assistance under a State plan under title XIX
 11 of the Social Security Act (42 U.S.C. 1396 et
 12 seq.) under the same terms and conditions that
 13 apply to other recipients of benefits under the
 14 program defined in such subsection.”.

15 (c) CLERICAL AMENDMENT.—Section 2 of the Per-
 16 sonal Responsibility and Work Opportunity Reconciliation
 17 Act of 1996 is amended by adding after the item related
 18 to section 435 the following:

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

19 **SEC. 5817. EXEMPTION FOR CHILDREN WHO ARE LEGAL**
 20 **ALIENS FROM 5-YEAR BAN ON MEDICAID ELI-**
 21 **GIBILITY.**

22 Section 403 of the Personal Responsibility and Work
 23 Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613))
 24 is amended by adding at the end the following:

1 “(e) MEDICAID ELIGIBILITY EXEMPTION FOR CHIL-
2 DREN.—The limitation under subsection (a) shall not
3 apply to any alien who has not attained age 19 and is
4 lawfully residing in any State, but only with respect to
5 such alien’s eligibility for medical assistance under a State
6 plan under title XIX of the Social Security Act (42 U.S.C.
7 1396 et seq.).”

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-
12 onciliation Act of 1996 (Public Law 104–193; 110 Stat.
13 2260).

7 **CHAPTER 3—MISCELLANEOUS**

8 **SEC. 5871. SENSE OF THE SENATE REGARDING THE COR-**
9 **RECTION OF COST-OF-LIVING ADJUSTMENTS.**

10 (a) **FINDINGS.**—The Senate makes the following
11 findings:

12 (1) The final report of the Senate Finance
13 Committee's Advisory Commission to Study the
14 Consumer Price Index, chaired by Professor Michael
15 Boskin, has concluded that the Consumer Price
16 Index overstates the cost of living in the United
17 States by 1.1 percentage points.

18 (2) Dr. Alan Greenspan, Chairman of the
19 Board of Governors of the Federal Reserve System,
20 has testified before the Senate Finance Committee
21 that "the best available evidence suggests that there
22 is virtually no chance that the CPI as currently pub-
23 lished understates" the cost of living and that there
24 is "a very high probability that the upward bias

1 ranges between 1/2 percentage point per year and
2 1 1/2 percentage points per year”.

3 (3) The overstatement of the cost of living by
4 the Consumer Price Index has been recognized by
5 economists since at least 1961, when a report noting
6 the existence of the overstatement was issued by a
7 National Bureau of Economic Research Committee,
8 chaired by Professor George J. Stigler.

9 (4) Congress and the President, through the in-
10 dexing of Federal tax brackets, Social Security bene-
11 fits, and other Federal program benefits, have un-
12 dertaken to protect taxpayers and beneficiaries of
13 such programs from the erosion of purchasing power
14 due to inflation.

15 (5) Congress and the President intended the in-
16 dexing of Federal tax brackets, Social Security bene-
17 fits, and other Federal program benefits to accu-
18 rately reflect changes in the cost of living.

19 (6) The overstatement of the cost of living in-
20 creases the deficit and undermines the equitable ad-
21 ministration of Federal benefits and tax policies.

22 (b) SENSE OF THE SENATE.—It is the sense of the
23 Senate that all cost-of-living adjustments required by stat-
24 ute should accurately reflect the best available estimate
25 of changes in the cost of living.

1 **Subtitle M—Welfare Reform**
 2 **Technical Corrections**

3 **SEC. 5900. SHORT TITLE OF SUBTITLE.**

4 This subtitle may be cited as the “Welfare Reform
 5 Technical Corrections Act of 1997”.

4 **CHAPTER 2—SUPPLEMENTAL SECURITY**
 5 **INCOME**

6 **SEC. 5921. CONFORMING AND TECHNICAL AMENDMENTS**
 7 **RELATING TO ELIGIBILITY RESTRICTIONS.**

8 (a) DENIAL OF SSI BENEFITS FOR FUGITIVE FEL-
 9 ONS AND PROBATION AND PAROLE VIOLATORS.—Section
 10 1611(e)(6) (42 U.S.C. 1382(e)(6)) is amended by insert-
 11 ing “and section 1106(c) of this Act” after “of 1986”.

12 (b) TREATMENT OF PRISONERS.—Section
 13 1611(e)(1)(I)(i)(II) (42 U.S.C. 1382(e)(1)(I)(i)(II)) is
 14 amended by striking “inmate of the institution” and all
 15 that follows through “this subparagraph” and inserting
 16 “individual who receives in the month preceding the first
 17 month throughout which such individual is an inmate of
 18 the jail, prison, penal institution, or correctional facility
 19 that furnishes information respecting such individual pur-
 20 suant to subclause (I), or is confined in the institution
 21 (that so furnishes such information) as described in sec-
 22 tion 202(x)(1)(A)(ii), a benefit under this title for such
 23 preceding month, and who is determined by the Commis-
 24 sioner to be ineligible for benefits under this title by rea-

1 son of confinement based on the information provided by
2 such institution”.

3 (c) CORRECTION OF REFERENCE.—Section
4 1611(e)(1)(I)(i)(I) (42 U.S.C. 1382(e)(1)(I)(i)(I)) is
5 amended by striking “paragraph (1)” and inserting “this
6 paragraph”.

7 **SEC. 5922. CONFORMING AND TECHNICAL AMENDMENTS**
8 **RELATING TO BENEFITS FOR DISABLED**
9 **CHILDREN.**

10 (a) ELIGIBILITY REDETERMINATIONS FOR CURRENT
11 RECIPIENTS.—Section 211(d)(2)(A) of the Personal Re-
12 sponsibility and Work Opportunity Reconciliation Act of
13 1996 (42 U.S.C. 1382c note) is amended by striking “1
14 year” and inserting “18 months”.

15 (b) ELIGIBILITY REDETERMINATIONS AND CONTINU-
16 ING DISABILITY REVIEWS.—

17 (1) DISABILITY ELIGIBILITY REDETERMINA-
18 TIONS REQUIRED FOR SSI RECIPIENTS WHO ATTAIN
19 18 YEARS OF AGE.—Section 1614(a)(3)(H)(iii) (42
20 U.S.C. 1382c(a)(3)(H)(iii)) is amended by striking
21 subclauses (I) and (II) and all that follows and in-
22 serting the following:

23 “(I) by applying the criteria used in determin-
24 ing initial eligibility for individuals who are age 18
25 or older; and

1 “(II) either during the 1-year period beginning
2 on the individual’s 18th birthday or, in lieu of a con-
3 tinuing disability review, whenever the Commissioner
4 determines that an individual’s case is subject to a
5 redetermination under this clause.

6 With respect to any redetermination under this clause,
7 paragraph (4) shall not apply.”.

8 (2) CONTINUING DISABILITY REVIEW REQUIRED
9 FOR LOW BIRTH WEIGHT BABIES.—Section
10 1614(a)(3)(H)(iv) (42 U.S.C. 1382c(a)(3)(H)(iv)) is
11 amended—

12 (A) in subclause (I), by striking “Not” and
13 inserting “Except as provided in subclause (VI),
14 not”; and

15 (B) by adding at the end the following:

16 “(VI) Subclause (I) shall not apply in the case of an
17 individual described in that subclause who, at the time of
18 the individual’s initial disability determination, the Com-
19 missioner determines has an impairment that is not ex-
20 pected to improve within 12 months after the birth of that
21 individual, and who the Commissioner schedules for a con-
22 tinuing disability review at a date that is after the individ-
23 ual attains 1 year of age.”.

1 (c) ADDITIONAL ACCOUNTABILITY REQUIRE-
2 MENTS.—Section 1631(a)(2)(F) (42 U.S.C.
3 1383(a)(2)(F)) is amended—

4 (1) in clause (ii)(III)(bb), by striking “the total
5 amount” and all that follows through “1613(c)” and
6 inserting “in any case in which the individual know-
7 ingly misapplies benefits from such an account, the
8 Commissioner shall reduce future benefits payable to
9 such individual (or to such individual and his
10 spouse) by an amount equal to the total amount of
11 such benefits so misapplied”; and

12 (2) by striking clause (iii) and inserting the fol-
13 lowing:

14 “(iii) The representative payee may deposit into the
15 account established under clause (i) any other funds rep-
16 resenting past due benefits under this title to the eligible
17 individual, provided that the amount of such past due ben-
18 efits is equal to or exceeds the maximum monthly benefit
19 payable under this title to an eligible individual (including
20 State supplementary payments made by the Commissioner
21 pursuant to an agreement under section 1616 or section
22 212(b) of Public Law 93–66).”.

23 (d) REDUCTION IN CASH BENEFITS PAYABLE TO IN-
24 STITUTIONALIZED INDIVIDUALS WHOSE MEDICAL COSTS

1 ARE COVERED BY PRIVATE INSURANCE.—Section
2 1611(e) (42 U.S.C. 1382(e)) is amended—

3 (1) in paragraph (1)(B)—

4 (A) in the matter preceding clause (i), by
5 striking “hospital, extended care facility, nurs-
6 ing home, or intermediate care facility” and in-
7 serting “medical treatment facility”;

8 (B) in clause (ii)—

9 (i) in the matter preceding subclause
10 (I), by striking “hospital, home or”;

11 (ii) in subclause (I), by striking “hos-
12 pital, home, or”;

13 (C) in clause (iii), by striking “hospital,
14 home, or”;

15 (D) in the matter following clause (iii), by
16 striking “hospital, extended care facility, nurs-
17 ing home, or intermediate care facility which is
18 a ‘medical institution or nursing facility’ within
19 the meaning of section 1917(c)” and inserting
20 “medical treatment facility that provides serv-
21 ices described in section 1917(c)(1)(C)”;

22 (2) in paragraph (1)(E)—

23 (A) in clause (i)(II), by striking “hospital,
24 extended care facility, nursing home, or inter-

1 mediate care facility” and inserting “medical
2 treatment facility”; and

3 (B) in clause (iii), by striking “hospital,
4 extended care facility, nursing home, or inter-
5 mediate care facility” and inserting “medical
6 treatment facility”;

7 (3) in paragraph (1)(G), in the matter preced-
8 ing clause (i)—

9 (A) by striking “or which is a hospital, ex-
10 tended care facility, nursing home, or inter-
11 mediate care” and inserting “or is in a medical
12 treatment”; and

13 (B) by inserting “or, in the case of an in-
14 dividual who is a child under the age of 18,
15 under any health insurance policy issued by a
16 private provider of such insurance” after “title
17 XIX”; and

18 (4) in paragraph (3)—

19 (A) by striking “same hospital, home, or
20 facility” and inserting “same medical treatment
21 facility”; and

22 (B) by striking “same such hospital, home,
23 or facility” and inserting “same such facility”.

24 (e) CORRECTION OF U.S.C. CITATION.—Section
25 211(c) of the Personal Responsibility and Work Oppor-

1 tunity Reconciliation Act of 1996 (Public Law 104–193;
2 110 Stat. 2189) is amended by striking “1382(a)(4)” and
3 inserting “1382c(a)(4)”.

4 **SEC. 5923. ADDITIONAL TECHNICAL AMENDMENTS TO**
5 **TITLE XVI.**

6 Section 1615(d) (42 U.S.C. 1382d(d)) is amended—

7 (1) in the first sentence, by inserting a comma
8 after “subsection (a)(1)”; and

9 (2) in the last sentence, by striking “him” and
10 inserting “the Commissioner”.

11 **SEC. 5924. ADDITIONAL TECHNICAL AMENDMENTS RELAT-**
12 **ING TO TITLE XVI.**

13 Section 1110(a)(3) (42 U.S.C. 1310(a)(3)) is amend-
14 ed—

15 (1) by inserting “(or the Commissioner, with
16 respect to any jointly financed cooperative agree-
17 ment or grant concerning title XVI)” after “Sec-
18 retary” the first place it appears; and

19 (2) by inserting “(or the Commissioner, as ap-
20 plicable)” after “Secretary” the second place it ap-
21 pears.

22 **SEC. 5925. EFFECTIVE DATES.**

23 (a) IN GENERAL.—Except as provided in subsection
24 (b), the amendments made by this part shall take effect
25 as if included in the enactment of title II of the Persona

1 Responsibility and Work Opportunity Reconciliation Act
2 of 1996 (Public Law 104–193; 110 Stat. 2185).

3 (b) EXCEPTION.—The amendments made by section
4 5925 shall take effect as if included in the enactment of
5 the Social Security Independence and Program Improve-
6 ments Act of 1994 (Public Law 103–296; 108 Stat.
7 1464).

3 **SEC. 5940. COLLECTION AND USE OF SOCIAL SECURITY**
4 **NUMBERS FOR USE IN CHILD SUPPORT EN-**
5 **FORCEMENT.**

6 Section 466(a)(13) (42 U.S.C. 666(a)(13)) is amend-
7 ed—

8 (1) in subparagraph (A)—

9 (A) by striking “commercial”; and

10 (B) by inserting “recreational license,”
11 after “occupational license,”; and

12 (2) in the matter following subparagraph (C),
13 by inserting “to be used on the face of the document
14 while the social security number is kept on file at
15 the agency” after “other than the social security
16 number”.

3 **CHAPTER 4—RESTRICTING WELFARE AND**
4 **PUBLIC BENEFITS FOR ALIENS**
5 **Subchapter A—Eligibility for Federal**
6 **Benefits**

7 **SEC. 5965. ALIEN ELIGIBILITY FOR FEDERAL BENEFITS:**
8 **LIMITED APPLICATION TO MEDICARE AND**
9 **BENEFITS UNDER THE RAILROAD RETIRE-**
10 **MENT ACT.**

11 (a) **LIMITED APPLICATION TO MEDICARE.**—Section
12 401(b) of the Personal Responsibility and Work Oppor-
13 tunity Reconciliation Act of 1996 (8 U.S.C. 1611(b)) is
14 amended by adding at the end the following:

15 “(3) Subsection (a) shall not apply to any bene-
16 fit payable under title XVIII of the Social Security
17 Act (relating to the medicare program) to an alien
18 who is lawfully present in the United States as de-
19 termined by the Attorney General and, with respect
20 to benefits payable under part A of such title, who
21 was authorized to be employed with respect to any
22 wages attributable to employment which are counted
23 for purposes of eligibility for such benefits.”.

24 (b) **LIMITED APPLICATION TO BENEFITS UNDER**
25 **THE RAILROAD RETIREMENT ACT.**—Section 401(b) of the

1 Personal Responsibility and Work Opportunity Reconcili-
 2 ation Act of 1996 (8 U.S.C. 1611(b)) (as amended by sub-
 3 section (a)) is amended by inserting at the end the follow-
 4 ing:

5 “(4) Subsection (a) shall not apply to any bene-
 6 fit payable under the Railroad Retirement Act of
 7 1974 or the Railroad Unemployment Insurance Act
 8 to an alien who is lawfully present in the United
 9 States as determined by the Attorney General or to
 10 an alien residing outside the United States.”.

11 **SEC. 5966. EXCEPTIONS TO BENEFIT LIMITATIONS: COR-**
 12 **RECTIONS TO REFERENCE CONCERNING**
 13 **ALIENS WHOSE DEPORTATION IS WITHHELD.**

14 Sections 402(a)(2)(A)(i)(III), 402(a)(2)(A)(ii)(III),
 15 402(b)(2)(A)(iii), 403(b)(1)(C), 412(b)(1)(C), and
 16 431(b)(5) of the Personal Responsibility and Work Oppor-
 17 tunity Reconciliation Act of 1996 (8 U.S.C.
 18 1612(a)(2)(A)(iii), 1612(b)(2)(A)(iii), 1613(b)(1)(C),
 19 1622(b)(1)(C), and 1641(b)(5)) are each amended by
 20 striking “section 243(h) of such Act” each place it ap-
 21 pears and inserting “section 243(h) of such Act (as in ef-
 22 fect immediately before the effective date of section 307
 23 of division C of Public Law 104–208) or section 241(b)(3)
 24 of such Act (as amended by section 305(a) of division C
 25 of Public Law 104–208)”.

1 **SEC. 5967. VETERANS EXCEPTION: APPLICATION OF MINI-**
2 **MUM ACTIVE DUTY SERVICE REQUIREMENT;**
3 **EXTENSION TO UNREARRIED SURVIVING**
4 **SPOUSE; EXPANDED DEFINITION OF VET-**
5 **ERAN.**

6 (a) APPLICATION OF MINIMUM ACTIVE DUTY SERV-
7 ICE REQUIREMENT.—Sections 402(a)(2)(C)(i),
8 402(b)(2)(C)(i), 403(b)(2)(A), and 412(b)(3)(A) of the
9 Personal Responsibility and Work Opportunity Reconcili-
10 ation Act of 1996 (8 U.S.C. 1612(a)(2)(C)(i),
11 1612(b)(2)(C)(i), 1613(b)(2)(A), and 1622(b)(3)(A)) are
12 each amended by inserting “and who fulfills the minimum
13 active-duty service requirements of section 5303A(d) of
14 title 38, United States Code” after “alienage”.

15 (b) EXCEPTION APPLICABLE TO UNREARRIED SUR-
16 VIVING SPOUSE.—Section 402(a)(2)(C)(iii),
17 402(b)(2)(C)(iii), 403(b)(2)(C), and 412(b)(3)(C) of the
18 Personal Responsibility and Work Opportunity Reconcili-
19 ation Act of 1996 (8 U.S.C. 1612(a)(2)(C)(iii),
20 1612(b)(2)(C)(iii), 1613(b)(2)(C), and 1622(b)(3)(C)) are
21 each amended by inserting before the period “or the
22 unremarried surviving spouse of an individual described
23 in clause (i) or (ii) who is deceased if the marriage fulfills
24 the requirements of section 1304 of title 38, United States
25 Code”.

1 (c) EXPANDED DEFINITION OF VETERAN.—Sections
2 402(a)(2)(C)(i), 402(b)(2)(C)(i), 403(b)(2)(A), and
3 412(b)(3)(A) of the Personal Responsibility and Work Op-
4 portunity Reconciliation Act of 1996 (8 U.S.C.
5 1612(a)(2)(C)(i), 1612(b)(2)(C)(i), 1613(b)(2)(A), and
6 1622(b)(3)(A)) are each amended by inserting “, 1101,
7 or 1301, or as described in section 107” after “section
8 101”.

9 **SEC. 5968. CORRECTION OF REFERENCE CONCERNING**
10 **CUBAN AND HAITIAN ENTRANTS.**

11 Section 403(d) of the Personal Responsibility and
12 Work Opportunity Reconciliation Act of 1996 (8 U.S.C.
13 1613(d)) is amended—

14 (1) by striking “section 501 of the Refugee”
15 and insert “section 501(a) of the Refugee”; and

16 (2) by striking “section 501(e)(2)” and insert-
17 ing “section 501(e)”.

18 **SEC. 5969. NOTIFICATION CONCERNING ALIENS NOT LAW-**
19 **FULLY PRESENT: CORRECTION OF TERMI-**
20 **NOLOGY.**

21 Section 1631(e)(9) of the Social Security Act (42
22 U.S.C. 1383(e)(9)) and section 27 of the United States
23 Housing Act of 1937, as added by section 404 of the Per-
24 sonal Responsibility and Work Opportunity Reconciliation
25 Act of 1996, are each amended by striking “unlawfully

1 in the United States” each place it appears and inserting
2 “not lawfully present in the United States”.

3 **SEC. 5970. FREELY ASSOCIATED STATES: CONTRACTS AND**
4 **LICENSES.**

5 Sections 401(c)(2)(A) and 411(c)(2)(A) of the Per-
6 sonal Responsibility and Work Opportunity Reconciliation
7 Act of 1996 (8 U.S.C. 1611(c)(2)(A) and 1621(c)(2)(A))
8 are each amended by inserting before the semicolon at the
9 end “, or to a citizen of a freely associated state, if section
10 141 of the applicable compact of free association approved
11 in Public Law 99–239 or 99–658 (or a successor provi-
12 sion) is in effect”.

13 **SEC. 5971. CONGRESSIONAL STATEMENT REGARDING BEN-**
14 **EFITS FOR HMONG AND OTHER HIGHLAND**
15 **LAO VETERANS.**

16 (a) FINDINGS.—The Congress makes the following
17 findings:

18 (1) Hmong and other Highland Lao tribal peo-
19 ples were recruited, armed, trained, and funded for
20 military operations by the United States Department
21 of Defense, Central Intelligence Agency, Department
22 of State, and Agency for International Development
23 to further United States national security interests
24 during the Vietnam conflict.

1 (2) Hmong and other Highland Lao tribal
2 forces sacrificed their own lives and saved the lives
3 of American military personnel by rescuing downed
4 American pilots and aircrews and by engaging and
5 successfully fighting North Vietnamese troops.

6 (3) Thousands of Hmong and other Highland
7 Lao veterans who fought in special guerilla units on
8 behalf of the United States during the Vietnam con-
9 flict, along with their families, have been lawfully ad-
10 mitted to the United States in recent years.

11 (4) The Personal Responsibility and Work Op-
12 portunity Reconciliation Act of 1996 (Public Law
13 104–193), the new national welfare reform law, re-
14 stricts certain welfare benefits for noncitizens of the
15 United States and the exceptions for noncitizen vet-
16 erans of the Armed Forces of the United States do
17 not extend to Hmong veterans of the Vietnam con-
18 flict era, making Hmong veterans and their families
19 receiving certain welfare benefits subject to restric-
20 tions despite their military service on behalf of the
21 United States.

22 (b) CONGRESSIONAL STATEMENT.—It is the sense of
23 the Congress that Hmong and other Highland Lao veter-
24 ans who fought on behalf of the Armed Forces of the Unit-
25 ed States during the Vietnam conflict and have lawfully

1 been admitted to the United States for permanent resi-
 2 dence should be considered veterans for purposes of con-
 3 tinuing certain welfare benefits consistent with the excep-
 4 tions provided other noncitizen veterans under the Per-
 5 sonal Responsibility and Work Opportunity Reconciliation
 6 Act of 1996.

7 **Subchapter B—General Provisions**

8 **SEC. 5972. DETERMINATION OF TREATMENT OF BATTERED**
 9 **ALIENS AS QUALIFIED ALIENS; INCLUSION**
 10 **OF ALIEN CHILD OF BATTERED PARENT AS**
 11 **QUALIFIED ALIEN.**

12 (a) DETERMINATION OF STATUS BY AGENCY PRO-
 13 VIDING BENEFITS.—Section 431 of the Personal Respon-
 14 sibility and Work Opportunity Reconciliation Act of 1996
 15 (8 U.S.C. 1641) is amended in subsections (c)(1)(A) and
 16 (c)(2)(A) by striking “Attorney General, which opinion is
 17 not subject to review by any court)” each place it appears
 18 and inserting “agency providing such benefits)”.

19 (b) GUIDANCE ISSUED BY ATTORNEY GENERAL.—
 20 Section 431(c) of the Personal Responsibility and Work
 21 Opportunity Reconciliation Act of 1996 (8 U.S.C.
 22 1641(c)) is amended by adding at the end the following
 23 new undesignated paragraph:

24 “After consultation with the Secretaries of Health
 25 and Human Services, Agriculture, and Housing and

1 Urban Development, the Commissioner of Social Security,
2 and with the heads of such Federal agencies administering
3 benefits as the Attorney General considers appropriate,
4 the Attorney General shall issue guidance (in the Attorney
5 General's sole and unreviewable discretion) for purposes
6 of this subsection and section 421(f), concerning the
7 meaning of the terms 'battery' and 'extreme cruelty', and
8 the standards and methods to be used for determining
9 whether a substantial connection exists between battery or
10 cruelty suffered and an individual's need for benefits
11 under a specific Federal, State, or local program.”.

12 (c) INCLUSION OF ALIEN CHILD OF BATTERED PAR-
13 ENT AS QUALIFIED ALIEN.—Section 431(c) of the Per-
14 sonal Responsibility and Work Opportunity Reconciliation
15 Act of 1996 (8 U.S.C. 1641(c)) is amended—

16 (1) at the end of paragraph (1)(B)(iv) by strik-
17 ing “or”;

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

20 (3) by inserting after paragraph (2)(B) and be-
21 fore the last sentence of such subsection the follow-
22 ing new paragraph:

23 “(3) an alien child who—

24 “(A) resides in the same household as a
25 parent who has been battered or subjected to

1 extreme cruelty in the United States by that
2 parent's spouse or by a member of the spouse's
3 family residing in the same household as the
4 parent and the spouse consented or acquiesced
5 to such battery or cruelty, but only if (in the
6 opinion of the agency providing such benefits)
7 there is a substantial connection between such
8 battery or cruelty and the need for the benefits
9 to be provided; and

10 “(B) who meets the requirement of sub-
11 paragraph (B) of paragraph (1).”.

12 (d) INCLUSION OF ALIEN CHILD OF BATTERED PAR-
13 ENT UNDER SPECIAL RULE FOR ATTRIBUTION OF IN-
14 COME.—Section 421(f)(1)(A) of the Personal Responsibil-
15 ity and Work Opportunity Reconciliation Act of 1996 (8
16 U.S.C. 1631(f)(1)(A)) is amended—

17 (1) at the end of clause (i) by striking “or”;
18 and

19 (2) by striking “and the battery or cruelty de-
20 scribed in clause (i) or (ii)” and inserting “or (iii)
21 the alien is a child whose parent (who resides in the
22 same household as the alien child) has been battered
23 or subjected to extreme cruelty in the United States
24 by that parent's spouse, or by a member of the
25 spouse's family residing in the same household as

1 the parent and the spouse consented to, or acqui-
2 esced in, such battery or cruelty, and the battery or
3 cruelty described in clause (i), (ii), or (iii)’’.

4 **SEC. 5973. VERIFICATION OF ELIGIBILITY FOR BENEFITS.**

5 (a) **REGULATIONS AND GUIDANCE.**—Section 432(a)
6 of the Personal Responsibility and Work Opportunity Rec-
7 onciliation Act of 1996 (8 U.S.C. 1642(a)) is amended—

8 (1) by inserting at the end of paragraph (1) the
9 following: “Not later than 90 days after the date of
10 the enactment of the Welfare Reform Technical Cor-
11 rections Act of 1997, the Attorney General of the
12 United States, after consultation with the Secretary
13 of Health and Human Services, shall issue interim
14 verification guidance.”; and

15 (2) by adding after paragraph (2) the following
16 new paragraph:

17 “(3) Not later than 90 days after the date of the en-
18 actment of the Welfare Reform Technical Corrections Act
19 of 1997, the Attorney General shall promulgate regula-
20 tions which set forth the procedures by which a State or
21 local government can verify whether an alien applying for
22 a State or local public benefit is a qualified alien, a non-
23 immigrant under the Immigration and Nationality Act, or
24 an alien paroled into the United States under section
25 212(d)(5) of the Immigration and Nationality Act for less

1 than 1 year, for purposes of determining whether the alien
2 is ineligible for benefits under section 411 of this Act.”.

3 (b) DISCLOSURE OF INFORMATION FOR VERIFICA-
4 TION.—Section 384(b) of the Illegal Immigration Reform
5 and Immigrant Responsibility Act of 1996 (division C of
6 Public Law 104–208) is amended by adding after para-
7 graph (4) the following new paragraph:

8 “(5) The Attorney General is authorized to dis-
9 close information, to Federal, State, and local public
10 and private agencies providing benefits, to be used
11 solely in making determinations of eligibility for ben-
12 efits pursuant to section 431(c) of the Personal Re-
13 sponsibility and Work Opportunity Reconciliation
14 Act of 1996.”.

15 **SEC. 5974. QUALIFYING QUARTERS: DISCLOSURE OF QUAR-**
16 **TERS OF COVERAGE INFORMATION; CORREC-**
17 **TION TO ASSURE THAT CREDITING APPLIES**
18 **TO ALL QUARTERS EARNED BY PARENTS BE-**
19 **FORE CHILD IS 18.**

20 (a) DISCLOSURE OF QUARTERS OF COVERAGE IN-
21 FORMATION.—Section 435 of the Personal Responsibility
22 and Work Opportunity Reconciliation Act of 1996 (8
23 U.S.C. 1645) is amended by adding at the end the follow-
24 ing: “Notwithstanding section 6103 of the Internal Reve-
25 nue 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.”.

4 (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,”.

11 **SEC. 5975. STATUTORY CONSTRUCTION: BENEFIT ELIGI-**
12 **BILITY LIMITATIONS APPLICABLE ONLY**
13 **WITH RESPECT TO ALIENS PRESENT IN THE**
14 **UNITED STATES.**

15 Section 433 of the Personal Responsibility and Work
16 Opportunity Reconciliation Act of 1996 (8 U.S.C. 1643)
17 is amended—

18 (1) by redesignated subsections (b) and (c) as
19 subsections (c) and (d); and

20 (2) by adding after subsection (a) the following
21 new subsection:

22 “(b) **BENEFIT ELIGIBILITY LIMITATIONS APPLICA-**
23 **BLE 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

1 this title shall not apply to eligibility for benefits of aliens
2 who are not residing, or present, in the United States with
3 respect to—

4 “(1) wages, pensions, annuities, and other
5 earned payments to which an alien is entitled result-
6 ing from employment by, or on behalf of, a Federal,
7 State, or local government agency which was not
8 prohibited during the period of such employment or
9 service under section 274A or other applicable provi-
10 sion of the Immigration and Nationality Act; or

11 “(2) benefits under laws administered by the
12 Secretary of Veterans Affairs.”.

13 **Subchapter C—Miscellaneous Clerical and**
14 **Technical Amendments; Effective Date**

15 **SEC. 5976. CORRECTING MISCELLANEOUS CLERICAL AND**
16 **TECHNICAL ERRORS.**

17 (a) INFORMATION REPORTING UNDER TITLE IV OF
18 THE SOCIAL SECURITY ACT.—Effective July 1, 1997, sec-
19 tion 408 of the Social Security Act (42 U.S.C. 608), as
20 amended by section 5903, and as in effect pursuant to
21 section 116 of the Personal Responsibility and Work Op-
22 portunity Reconciliation Act of 1996, and as amended by
23 section 5906(e) of this Act, is amended by adding at the
24 end the following new subsection:

1 “(f) STATE REQUIRED TO PROVIDE CERTAIN INFOR-
2 MATION.—Each State to which a grant is made under sec-
3 tion 403 shall, at least 4 times annually and upon request
4 of the Immigration and Naturalization Service, furnish the
5 Immigration and Naturalization Service with the name
6 and address of, and other identifying information on, any
7 individual who the State knows is not lawfully present in
8 the United States.”.

9 (b) MISCELLANEOUS CLERICAL AND TECHNICAL
10 CORRECTIONS.—

11 (1) Section 411(c)(3) of the Personal Respon-
12 sibility and Work Opportunity Reconciliation Act of
13 1996 (8 U.S.C. 1621(c)(3)) is amended by striking
14 “4001(e)” and inserting “401(e)”.

15 (2) Section 422(a) of the Personal Responsibil-
16 ity and Work Opportunity Reconciliation Act of
17 1996 (8 U.S.C. 1632(a)) is amended by striking
18 “benefits (as defined in section 412(c)),” and insert-
19 ing “benefits,”.

20 (3) Section 412(b)(1)(C) of the Personal Re-
21 sponsibility and Work Opportunity Reconciliation
22 Act of 1996 (8 U.S.C. 1622(b)(1)(C)) is amended by
23 striking “with-holding” and inserting “withholding”.

24 (4) The subtitle heading for subtitle D of title
25 IV of the Personal Responsibility and Work Oppor-

1 tunity Reconciliation Act of 1996 is amended to
2 read as follows:

1 **SEC. 5977. EFFECTIVE DATE.**

2 Except as otherwise provided, the amendments made
3 by this chapter shall be effective as if included in the en-
4 actment of title IV of the Personal Responsibility and
5 Work Opportunity Reconciliation Act of 1996.

Calendar No. 91

105TH CONGRESS
1ST SESSION

S. 947

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. 425

(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.**—

(1) **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(e)(1)(I)(i)(I) of the Social Security Act (42 U.S.C. 1382(e)(1)(I)(i)(I)) through an agreement under section 1611(e)(1)(I)(ii)(II) of that Act (42 U.S.C. 1382(e)(1)(I)(ii)(II)), 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)(8)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)(E)) is amended by striking "paragraph (16)" and inserting "paragraph (16) or (20)(B)".

(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 of the Food Stamp Act of 1977 (7 U.S.C. 2020) 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—

(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.

"(E) **LIMIT ON INDIVIDUAL GRANT.**—A grant under subparagraph (A) may not exceed \$200,000 for a fiscal year."

—
DURBIN (AND OTHERS)
AMENDMENT NO. 450

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.”.

"(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 \$150 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 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.

**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/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 (8 U.S.C. 1612(a)(2)(A)) 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 "; 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)."

(2) FOR PURPOSES OF TANF, SSBG, AND 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—

(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:

**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 ____, add the following:

TITLE ____—BUDGET CONTROL

SEC. ____01. SHORT TITLE; PURPOSE.

(a) SHORT TITLE.—This title may be cited as the "Bipartisan Budget Enforcement Act of 1997".

(b) PURPOSE.—The purpose of this title is—

(1) to ensure a balanced Federal budget by fiscal year 2002;

(2) to ensure that the Bipartisan 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 concurrent 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—

(1) 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 fiscal years; and

(2) 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 the information submitted by the President under section ____03 indicates—

(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. ___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 overage contained in the applicable report of the President under section ___04 through reconciliation directives.

(b) WAIVER AND SUSPENSION.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn. This section shall be subject to the provisions of section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985.

(c) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, 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 this section.

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.

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.

"(iii) 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."

sponsibility 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" 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)."

(c) EFFECTIVE DATE.—The amendment made by subsection (a) applies to medical assistance furnished on or after July 1, 1997.

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 (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

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 5801, 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 (C), 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.

(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) 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)."

KENNEDY AMENDMENTS NOS. 492-493

Mr. LAUTENBERG (for Mr. KENNEDY) proposed two amendments to the bill, S. 947, *supra*; as follows:

AMENDMENT NO. 492

At the appropriate place in section 2102(5) of the Social Security Act as added by sec-

(c) EFFECTIVE DATE.—The amendment made by subsection (a) applies to medical assistance furnished on or after July 1, 1997.

(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.”.

(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 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

“(i) 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.

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;

“(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.”.

SENATE DEBATE

JUNE 23, 1997

BALANCED BUDGET ACT OF 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 clerk will call the roll.

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.

Mr. 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.

PRIVILEGE OF THE FLOOR

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 staff.

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, Kathleen M. Dorn, Beth Felder, Alice Grant, Jim Hearn, Bill Hoagland, Carole McGuire, Anne Miller, Mieko Nakabayashi, Cheri Reidy, Ricardo Rel, Karen Ricoy, Brian Riley, Mike Ruffner, Andrea Shank, Amy Smith, Austin Smythe, Bob Stevenson, Donald Marc (Javits) Sumerlin, Winslow Wheeler.

MINORITY STAFF

Amy Peck Abraham, Matt Greenwald, Phil Karsting, Bruce King, Jim Klumpner, Sander Lurie, Daniela Mays, Martin S. Morris, Sue Nelson, Jon Rosenwasser, Barry Strumpf, Mitchell S. Warren.

Mr. DOMENICI. 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 MOYNIHAN intend to come to the floor early this afternoon with a modification, an amendment?

Mr. LAUTENBERG. We have heard that Senator MOYNIHAN 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 very well the case.

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. Then, in addition, a budget resolution was taken up on the Senate floor. During the discussion of that budget resolution, 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 legislation would be coming through that would change various laws of the land and would accomplish the goals, 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 most part to decrease the cost of programs within their jurisdiction, within their authority; in a couple of instances 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, what could be a law, 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 bill, this reconciliation bill, is granted some very powerful immunity from the rules of the Senate. The biggest one is the bill cannot be filibustered. So you see right off, when I asked the question, is it not correct that there are 20 hours of debate on this bill?—and the Parliamentarian answered yes—that is by law. In other words, we came along and said these bills should not be delayed. They are part of getting you the budget changes you need, and they deserve a privilege of being immune from filibusters. So the law set down how much time would be used for debate.

In addition, you will hear throughout the next 2 days some interesting verbiage. We will talk about amendments to the bill. Again, this bill is not an ordinary bill. Either by the statute that created the process or by subsequent enactment of the Congress, we have said that it is very difficult to amend this bill. So, essentially almost anything you try to do to this bill that changes matters of real substance that are in it are generally subject to a point of order and require 60 votes, if the point of order is made on a waiver, to make them germane and thus subject to being added to this bill.

In the meantime, since that law, we adopted another rule for ourselves. The more we did these the more we found

that Senators found ways to get around what was contemplated. So, what we did, with the cooperation and assistance of the distinguished Senator from West Virginia, Senator BYRD, we adopted a rule for ourself about this bill and we have now named it after the Senator. It is called the Byrd rule. Essentially what it says is that matters within this bill or matters attempted to be added to this bill that do not substantially decrease the deficit—that is, if you introduce them, for instance, to do away with a commission, but it really isn't there to save money—then the Parliamentarian will rule that it takes 60 votes to pass them.

This is very different from an ordinary bill that comes before this body, which is the most generous parliamentary body in the world in terms of permitting Members to make amendments and argue what one might even call irrelevant matters to a bill pending. So, as an example, you can have a bill coming through here on education and somebody can get up and say, "I would like to debate the troops in Bosnia." They would get up and they could introduce a resolution or a statute on that education bill that says we are going to be out of Bosnia in 6 months. Frankly, it is debatable for as long as the Senate wants to debate it and it cannot be stricken for germaneness or relevance because, under the Jeffersonian rules that we adopted and parliamentary interpretations, we are free to offer nongermane, extraneous amendments to the bill.

In any event, Members now are familiar enough that they do go ask for some assistance before they up and offer an amendment to just change this reconciliation bill and do things their way. On the other hand, they may offer them even if they are not germane and subject to the Byrd rule, and everybody knows they are apt to be defeated because it requires 60 votes to concur in their adoption.

So that is about where we are. Again, getting back to where we are, this legislation is the first reconciliation bill that was instructed by that budget resolution that we talked to the American people about, in terms of getting to balance. It was about 2 weeks ago we adopted that resolution. It told these eight committees of the U.S. Senate to do some work to change some laws. In a sense, this represents the first leg of a three-legged stool that must be constructed to implement the balanced budget, and the bipartisan budget agreement that attended it, that the Speaker of the House and the majority and minority leaders of the Senate agreed and concurred on on May 15.

I characterize this as the first leg, because that historic agreement, to be fully implemented, requires changes both to entitlement spending, that is this first reconciliation bill; changes to our tax laws, that is the second reconciliation bill; and then, in due course, there will be 13 appropriations bills that are annual spending of

money that will have to be kept within the limits prescribed in this agreement and also will have to provide some priority items that were agreed to 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 when you 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 reconfirm 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 concerned about one aspect of 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 leg, the tax reduction bill, will follow, 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 appropriations 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 \$1.1 trillion over the next 10 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 1996 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 Medicaid Programs and, 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, crimefighting, and international affairs.

Reducing Federal taxes. When we complete the second reconciliation bill, the agreement will have been achieved to reduce 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 given to us 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 it being made more 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 simultaneous 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 nonetheless, 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 1993 will need to be considered on 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 make sure that these amendments are 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

some hearty discussions about these provisions; and there will, obviously, be amendments to them.

So now, Mr. President, the Senate business and work lies before us. It is important work for the country's fiscal future. After nearly 2 years of debate with the administration on how to achieve a balanced budget, it is work that, once completed, I think, will become law and will balance the budget. It has been way too long in coming. I look forward to closing a chapter in the Senate at the end of this week, perhaps as late as Saturday, and immediately upon return from the Fourth of July recess, to reconcile with the House our differences and get this completed as early after the Fourth of July as possible.

I thank the Chair, and I thank the Senators for listening. I yield the floor at this point.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Jersey.

Mr. LAUTENBERG. I thank the Chair. I want to say, Mr. President, this is my first year as ranking member on the Budget Committee to process the budget resolution, and it has been an interesting experience. It is a fairly complicated process. I had a lot of learning to do. I still feel that I am playing catchup in some areas, but it was largely through the good work of Senator DOMENICI that the process moved fairly expeditiously. We work well together. The relationship, on a personal basis, is excellent. We disagreed without being disagreeable, and we completed this arduous task. It has gone on for several months and I think probably will be a milestone mark in the way a budget is developed because of the target that it has, a balanced budget in the year 2002, 5 years hence. There will be enormous change as we go along.

Mr. President, I have to point out that this comes at a time when things are pretty good. Since President Clinton has been in office, we have seen dramatic changes in our fiscal condition. For instance, the annual deficit came down from \$290 billion, in round terms, in 1992, to an expected \$70 billion level for the year 1997.

So we have had 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 among all countries of 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, 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 success after success of people 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 his old age, "Will my pension be 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 levels of income.

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 spending reconciliation 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 reconciliation, enforcement, 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 they talk about beauty in the eyes of the beholder, relevance here is in the eyes of the bellower. 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 many months. We 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 said 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 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 extending the trust fund. It restores 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 agreements. They did not always go down 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, who suffer at a future 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 as well in 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 subject, but not here, 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 here. The issue was never discussed during the negotiations on the budget agreement. 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 now on 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 deserve much more thorough 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 new approach to Medicare that could, in my view, harm its long-term viability, 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 disproportionate 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 tomorrow—that is designed 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 that they care about will 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.

So, 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 before we run out of time.

So I conclude, Mr. President, by saying this to my friend and colleague, the chairman of the Budget Committee, that despite the various controversies that have pitted our two parties against each other, we have managed to maintain a spirit of bipartisanship in our efforts to balance the budget in the proper way. I believe that we will maintain that cooperative approach. But if we are going to do it, many of these problems will have to be addressed before this legislation is sent to President Clinton. I look forward to working with Senator DOMENICI and with the leadership on both sides of the aisle to make it happen.

Let us get a bill that we can live with, a consensus bill, much in the manner that we shook hands on; maybe with a grimace or two across the table, but we did it. We arrived at a consensus. I need not go to such elementary teachings to say a consensus really reflects a give-up by all parties to a discussion. A consensus is not I win, you lose; it is we both win a little and we both lose a little. That is what we did to get to where we are. Therefore, I express some disappointment in the changes that have been made 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—and, 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 did not have all five fingers, we could even 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.

I say to Senator WELLSTONE, you have been here for a while. Senator JUDD GREGG has indicated that it was all right with you if he proceeded.

Mr. WELLSTONE. That is correct.

I just want to ask the managers—it is fine with me if Senator GREGG proceeds. It is my understanding that Senator MOYNIHAN will be coming to the floor seeking a modification.

Is that correct?

Mr. DOMENICI. Yes. He and Senator ROTH or somebody.

Mr. WELLSTONE. 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. WELLSTONE. 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 here at the Federal level, and which lead, hopefully, to a conclusion that we can say with certainty that the balanced budget agreement which was reached has been met and that we will therefore have a balanced budget which our children can look to as a benefit and which we can look to as a success.

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 one that deals with tax policy, and 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 policy needs.

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 stabilization of the 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 instead buy an HMO, or they could buy from a competing medical plan provided that it meets the benefit standards of the present Medicare system. So seniors will have a wide variety of new and exciting choices.

When we offer seniors this great array of choices, we benefit not only the seniors but the system as a whole by bringing it into the marketplace.

Traditional Medicare must then effectively compete for the right for seniors' health care spending in the marketplace and the people in the marketplace who are willing to give other options to seniors. Suppose, for example, there are plans that can deliver services more effectively and more efficiently than Medicare in a particular region of this Nation. If they can do that, then they can offer 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, this legislation gains control over the rate of growth of the per capita spending 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 system will be spending 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 the marketplace, 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 levels that exist between geographic regions in this country by gradually blending over time local and national reimbursement rates. If we do this, then 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 Presiding Officer 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 a cash-rebate incentive. Under my 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 plan costs less because of competition and efficiencies within that plan, then 75 percent of the savings would have gone to the individual, and the remaining 25 percent would have been deposited in the trust fund. Thus, the trust fund would never lose money due to such rebates.

On the contrary, the trust fund would receive money every time a senior sees this incentive to make a cost-conscious decision. Unfortunately, this language was left out of this bill, and, in fact, there is some language in this bill which undermines the ability to create incentives in the Medicare system under the Medicare Choice plan. I expect I 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 huge marketplace 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 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 Choice care available to them 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 different retirement accounts. I am very pleased 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 revenue impacts, enacting 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 bill being a bill directed at giving 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 especially want 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 so 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 language from the task force 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 in a way that works best 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 as a nation are going to face bankruptcy as a result of the costs of our pension systems as the postwar baby-boom generation fully retires in the year 2010 and beyond. One reason why the thrift savings plan worked so well for Federal employees is that it has the feature of automatic deduction from one's payroll, automatic investment, automatic savings. I am pleased that the Finance Committee has also included the provision to allow for automatic payroll deductions into IRA accounts. This will also stimulate additional retirement savings simply by making IRA investment easier.

I am also pleased this reconciliation package recognizes we must continue to do more to stimulate retirement savings not only through individual savings but also through employer-provided pensions. I have long been troubled by the limitations that have been placed on employer funding of future pension liabilities. Employers must fund these liabilities sooner or later, and it is good policy to put more of the funding upfront to allow that funding to be invested and to use the compounding interest to increase the investment and to assure an adequate amount of funds when people retire.

The reconciliation package picks up most of the provisions authored by the task force to raise the limits on full funding by 5 percent every 2 years. I believe that our Nation's workers will be more secure by their pension benefits being funded more fully. This is a

critical point because so many of our pension benefits are underfunded. The capacity of the employer to be able to fully fund the pension benefits at an earlier time in the cycle is critical to assure people will have a pension when they retire.

Some of the technical changes made by this bill are very significant. This reconciliation bill would exempt State and local government plans from the cumbersome nondiscrimination rules. This was a prime example of how many of our pension laws and regulations have been unduly complicated. Nondiscrimination rules were not created to apply to Government plans, where it is difficult to find exactly who the employer is and thus to compare employer 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 the reconciliation bill will do much to help small business. 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 from among the many that deter small business owners from 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 we complete the bill on spending—this 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 within the law will be eliminated if 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 promote 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

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. 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.

The PRESIDING OFFICER. If the Senator would suspend.

The Chair would like to know who yields time to the Senator.

Mr. ROTH. I yield to the distinguished Senator 10 minutes.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. GRAMM. Mr. President, I want to join our colleague from New York in commending our chairman of the Finance Committee for his excellent work and leadership. I think it is a great testament to his leadership that we have before us a bill that will spend less money on Medicare than another bill we debated 2 years ago which was deemed to be a partisan effort which ruptured the bipartisan nature of our work on health care.

Today we have before us a bill that is superior in virtually every way to that bill. And this bill that is now before us passed the Finance Committee on a unanimous vote and was strongly supported and praised by every member of the Finance Committee.

I think it is a testament to the leadership and fairness of the chairman that we have achieved this goal. I can say, as a person who has watched now many chairmen work, both in the House and the Senate, I have never seen anybody be fairer to every single member of the committee from the most senior member to the most junior member than Senator ROTH was.

I think it is a lesson to all of us. That is, when you have heavy lifting to do, if you give people an opportunity to speak their mind, to have a fair hearing for their ideas, in the end they are a lot more willing to be part of that effort than if they feel you are trying to ram it down their throat or treat them unfairly. We have all heard, from our teenage years, if you want me with you on the landing, you need to have me there on the takeoff. But we often forget it in real life. And I think our chairman has reminded us of it again here.

We have before us a very thick bill which is the composite of all of the so-called reconciliation bills that are supposed to save money. I want to note that there is only one bill in here that saves any real money, and that is the bill that we are talking about today, the bill that came out of the Finance Committee.

Now, lest someone jump up and say the Commerce Committee saved money, what the Commerce Committee did was to sell spectrum, the right to broadcast. We had the Agriculture Committee that was actually ordered to spend \$1.5 billion, and remarkably they had no trouble doing it. But the Finance Committee portion of the bill that is before us saves \$100 billion with a "b" dollars. And it does it in some of the most sensitive programs of the Federal Government. I want to talk very briefly about some of these changes because they are important.

We are going to have a lot of debate here in the Senate tomorrow when we

start shooting real bullets and start having amendments offered about Medicare. We are going to have questions about the need for long-term reform. I am proud to say that the bill before us is the most dramatic reform of Medicare in the history of the program, and, in fact, if you combine all of the other reforms in Medicare that we have adopted in the last 32 years into one package, it is relatively insignificant as compared to this bill.

I know there will be those who question the need for this dramatic reform, but I just want to remind my colleagues that over the next 10 years Medicare will be a \$1.6 trillion drain on the Federal Treasury. If you take all the money we collect in payroll taxes and you compare that to how much money we are going to spend on Medicare over the next 10 years, we are going to fail to pay for the program by a cumulative total of \$1.6 trillion.

We have an unfunded liability in Medicare under the best of circumstances. With all the right reforms, if they could be made and done immediately, we still have an unfunded liability bigger than the current inflation adjusted costs of winning World War II. We have promised Medicare to two succeeding generations and we have set no money aside to pay for those benefits. As the baby-boomer generation—79 million people strong—begins to go into retirement 11 years from now, we are going to go from 5.9 workers to 3.9 workers to 2.2 workers per retiree, and the impact of it is going to be cataclysmic on the Federal budget.

That is why this bill is so important because it takes the first step toward saving Medicare. I believe if we can save these reforms not just in the Senate but through the House and to the President with his signature, that every Member of the Congress will be able to say of this bill that they truly did something worthy of being remembered.

Now, let me outline some of the major components of the bill that I think are important. First of all, this bill gives our seniors who qualify for Medicare a broad range of choices. Today they have two choices. They can stay in the old fee-for-service Medicare policy or they can go into a massive all-encompassing HMO. What we do is fill in all the areas in between by giving our seniors the same kind of competitive choices that are available in private medicine today. I think this is a dramatic reform. I think it is a reform that is going to enhance the quality of health care. It is certainly going to expand freedom. Since we know competition has an impact on health care costs because the competition of the last 8 years in the private sector has driven the medical price index that measures inflation in medicine below the Consumer Price Index which measures the costs of all goods and services in the economy, we are confident that

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 the 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 have wanted to be unkind have said it is a phony reform; not only are they unkind, they are correct. 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 there will be an amendment offered 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 people have gotten 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 rational choices. So it is a small 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 al-

ready been denounced by most of the major special interest groups in the country that tend to speak out on these issues, and I want to talk 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, as we are 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, 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 taking care of ourself and our children.

But we raised the retirement age to 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, outrageous, that the end of 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 asking 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 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 from that 25 percent of the cost which is \$526 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 a better buy than anybody can get 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. It is just not right. This is a good 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. They are not counted for budget 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 logic which seems to escape 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 wise 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.

SENATE DEBATE

JUNE 24, 1997



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, FIRST SESSION

Vol. 143

WASHINGTON, TUESDAY, JUNE 24, 1997

No. 90

Senate

BALANCED BUDGET ACT OF 1997

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 for 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. 426

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.



Printed on recycled paper containing 100% post consumer waste

S6105

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 to try to control the cost 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 just 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 efficiency are the 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 the provider groups 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 PPO's that can deliver the services for less might want to throw in eyeglass care, might want to throw in prescription care. 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 some percentage of prescription drug care and still be delivering that service for considerably less than what the basic premium is today that we pay in Medicare. Who is going to keep that difference? The provider groups. They will keep it in profit.

Now, I do find it ironic that people would oppose the concept that we want to open it up to competition in a way that allows the senior citizen to benefit from the cost savings, by putting some pressure on those provider groups to have to say, "We are going to make \$100 extra on this contract. Maybe we better return \$50 to the senior citizen because, if we do not, our competitor down the street will make that \$100 and they will return that \$50 and they will get this client."

Right now this is an issue. I understand there are some undercurrents of opposition to this. I am appreciative of that. The fact is that this is an attempt to open the marketplace to more competition and create more cost-conscious purchasers and buyers, and as a result I think it is a good approach. It does not demand that that occur. It does not even allow that to occur in the first instance. It simply makes that additional avenue of competition

available by giving HCFA the authority to do it rather than banning HCFA from having the authority to do it.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from New Jersey controls 7½ minutes.

Mr. LAUTENBERG. Mr. President, I will yield myself such time as needed to respond with my opposition to the amendment of the Senator from New Hampshire and rise in support of the provision in the reconciliation package that was developed by Senator ROTH and Senator MOYNIHAN and other members of the Finance Committee.

Mr. President, the reconciliation bill establishes a new program known as Medicare Choice, which will give Medicare beneficiaries more options for the type of health care that they will receive in the program. Seniors will be able to choose from HMO's, PPO's, and medical savings accounts, among several other options. The committee's 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 some seniors, especially the 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 can compete for the consumers based on the quality and types of benefits they provide. If, for example, one HMO can operate more efficiently, it can plow the resulting savings into providing services that other less-efficient HMO's could not. This type of system is intended to ensure that seniors get the best quality care for each Federal dollar that gets spent. I think that makes sense.

The Finance Committee also wanted to avoid a situation in which providers limit their benefit package to attract those who are healthy and who therefore could take advantage of a cheaper plan that offers fewer benefits. This could ultimately lead to a Medicare system that segregates the healthy from the ill and that forces sicker people to pay more to get the health care they need.

Mr. President, I am going to stick with the Finance Committee's proposal on this. Let's give seniors more choice but let's make sure that the choices offer the type of quality health care they need and deserve.

When I think of plans that may offer premiums—maybe they offer theater tickets or baseball games or what have you—to seduce or induce people to go their way, I think that is a terrible idea. It can provide a large provider with a monopoly of opportunities. "Spend your money now, you will get it back." You will have these people locked into your service, so spend it up front. It is a calculated marketing cost. Frankly, I hate to see our senior citizens get caught up in a scheme like that.

Mr. President, I hope we will be able to muster the support that is required

here for the Finance Committee. Once again, this is now a new proposal. It alters the bill as originally developed. I do not think we ought to be doing it at this time.

I reserve the remainder of my time.

Mr. GREGG. I appreciate the comments of the Senator from New Jersey, but they are inaccurate. This does not create a two-tier system.

Under the law, the basic benefits package of the Medicare system has to be supplied by all providers. Therefore, any provider that comes forward and produces a less costly system is going to be producing a system that still meets the basic benefits package of the Medicare system. The added benefits might be eyeglasses or prescription drugs, but those are benefits which are not presently covered by Medicare anyway. So there is no opportunity for a two-tiered system.

What the Senator from New Jersey said that was accurate is that efficient suppliers of health care will end up creating a savings. What I am pointing out is that savings then flows to the supplier of the health care, the HMO or the PPO. You are basically underwriting the big health care companies at the disadvantage of seniors because seniors get none of that savings unless there is a benefit added that they may not want. They may not want eyeglasses. They may not want prescription drugs. They may have that under another system. Why not make this option available?

However, I have been asked by the chairman of the committee to withdraw the amendment at this time. I have great respect for the chairman of the committee and will acquiesce to his request. I understand his concern. I believe this is bad policy as it is presently structured. It is not in the House bill, and I hope it will be straightened out in Congress because I think we ought to give seniors this chance.

I ask unanimous consent to vitiate the yeas and nays and withdraw the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 426) was withdrawn.

Mr. NICKLES. Mr. President, I will be brief. I want to compliment my colleague from New Hampshire for offering this amendment.

He mentioned this prohibition is not in the House bill. I hope to have something to do with the conference. I think he has brought out a very good point. We should allow some of these savings to go to the participants. So I appreciate his examination of the bill. That fact proves he has done his homework. I, for one, think he has pointed out a good option that we should allow to be available. I appreciate my colleague's attention in this matter. I will be happy to work with him to see if we can't come up with a good provision in conference.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

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 enquire, 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.

Time is flying and we will be finished at about 7:30 tonight, I think it is, with no more time left. And then should any amendments be offered, they will be offered without debate or discussion and just voted upon.

So I say to all of our colleagues within earshot, or through the staff, if you have amendments, you better get them here because pretty soon the time will have expired and you won't have an opportunity to do so.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 45 minutes.

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 everything that exists now, to be 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 came into the labor market beginning in 1965. But 14 years from today, the first baby boomer retires. We will go from 200,000 people retiring a year to 1.6 million people retiring a year. The number 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. But if we wait another 3 or 4 years, 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 we pass this bill today, I will know that if I plan to retire at 65, that my Social Security benefits 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, to plan for it. If we keep waiting, knowing we are going to have to do this, we are going to end up having to force change on 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 count it toward reducing 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 guaranteed 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 country at \$6.1 trillion. 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 up senior citizens and 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 it was going broke, but I did 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 had to do under crisis circumstances. 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 LAUTENBERG on our side, but I am going to presume there is no objection to speak on behalf of our side in relation to this motion to waive. I see Senator LAUTENBERG on the floor now.

Mr. LAUTENBERG. 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. 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 59 years old or 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 which says, "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 should retire at age 60, what if your employer says to you, "Oh, take 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 fishing." Then what happens? The company is sold two or three times, a couple mergers, a couple cut-backs, and the next thing you know, they are saying, "Sorry we have to send you a letter and tell you the bad news. No more health insurance, Mr. Retiree. Thanks for working for us 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, wants you to keep 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 committee says we are changing Medicare so that it tracks Social Security and, in their words, they say, "The committee provision will establish a consistent national policy on eligibility for both Social Security, old age pension benefits and Medicare."

Let us concede 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. You won't get as much, but that is your option. "I will take a lower retirement, I'm leaving at 62, 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 disabled, and the Senator 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.

The Senator 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, waiting and praying for the day 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 my friends, my opposition to this provision to raise the eligibility age for Medicare comes, of course, from the Democratic side, but I have some interesting allies in this battle. Eighty different corporations have written to the Members of the Senate and said, "Please, do not do this, do not accept Senator Gramm's proposal to raise the eligibility age for Medicare to 67." Among them, the National Association of Manufacturers and the U.S. Chamber of Commerce.

What is a Democrat doing arguing the position of the U.S. Chamber of Commerce here? I will tell you why. These companies and their associations now offer to their employees health insurance protection until they are eligible for Medicare. That is written in the contract. If you make eligibility for Medicare age 67 instead of 65, these

companies have a new liability that has been dumped in their laps by the Texas two-step, and it is a disincentive for any other company to offer this benefit to their employees. They know it costs more, and they don't know what the Senate is likely to do next year when it comes to Medicare eligibility. That is what this battle is all about.

When I look at the number of people currently covered by health insurance at age 60 and 65 in America, it is clear. Fewer companies are offering protection. More people are on their own. The expense of health insurance when you reach age 60 goes through the roof, even without any kind of medical problem. That is what this debate is all about.

You want to save Medicare? There are lots of things we need to do on a bipartisan basis. There is a Commission created by this bill to study those ways, to make sure that we do it in a sensible, fair, compassionate way. But instead, my colleague from Texas and his friends on the committee have decided, let's just take a flier, let's throw one of them out there. And the first one they throw out there does not impose any new liability on health care providers, it imposes a new burden on seniors in years to come.

Those who retire after the year 2003 have to start waiting longer and longer and longer. I say to my friends, I don't think that is what Medicare is all about. Many of the people who proposed this, frankly, don't care much for Medicare. That came out in the last campaign. Some of the candidates stood up and said, "Yeah, I voted against it, and I'd do it again." I am not one of them. I didn't have the opportunity, the rare opportunity, to vote for this program. But I will tell you this, I am going to vote to protect it. I am going to vote to protect it because of what it has meant to my family. Medicare has meant to my family that you can retire not only with 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 reneges 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. LAUTENBERG. 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.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, let me first point out that when our colleague talks about people waking up and finding that age of eligibility is changed by 2 years, let me say that those people are 37 years old today. It will be between now and the year 2027 that this retirement age will phase up.

One of the reasons we want to do this now is we don't want people to wake up and discover that this has happened and they have not had time to plan on it. By doing it now, this will affect the full 2-year increase; it will affect only people born after 1960. That is, they are going to have 30 years in which to change their life's plan in order to accommodate this change.

Our colleague acts as if tomorrow they are going to wake up and discover that the eligibility has changed.

Let me remind my colleague, unless the note I have been passed is incorrect, that in 1983, on March 24, our colleague voted to raise the retirement age for Social Security, is that correct?

Mr. DURBIN. Will the Senator yield?

Mr. GRAMM. I yield for an answer to that question.

Mr. DURBIN. The amendment offered was the Pickle-Pepper amendment in the House of Representatives. I voted with Mr. Pepper and against raising the retirement age.

Mr. GRAMM. You voted for final passage on the bill on March 24. My point is, we are going to have to do this. Everybody knows we are going to have to do it. Should we wait until there is a crisis so that we will literally do what the Senator from Illinois says and make the change so it will go into effect immediately?

That is what is going to happen when you look at the exploding deficit of Medicare. We will have a \$1.6 trillion loss to the Treasury in trying to maintain the program in the next 10 years alone.

Our colleagues are not telling us that by the year 2025 when we will be going into the final phase up, we will have to triple the payroll tax—triple the payroll tax—to pay for Medicare if we don't begin to make changes. They are not proposing today to triple the payroll tax. They are simply saying, "Don't act now, wait until there's a crisis; wait until Medicare is flat on its back and then make the change."

Let me tell you why we can't do that. We can't do it because the phase in is already underway in Social Security, something that both Houses of Congress approved, and the President signed. It was voted for on a bipartisan basis raising the effective retirement age for full retirement benefits to 67. That is already the law of the land, and that phase up begins very slowly, a matter of months each year, very slowly, but it begins in the year 2003.

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

June 24, 1997

CONGRESSIONAL RECORD—SENATE

S6145

text of S. 947, as amended, be inserted, the bill be immediately considered as having been read for a third time and passed and the motion to reconsider be laid upon the table, all without further action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, we can announce that that would be the last recorded vote tonight. We will begin our stacked votes in the morning at 9:30. We are ready to go with the remaining debate and amendments that will be offered.

I yield the floor.

Mr. GRAMM. I yield to the Senator from Illinois for a unanimous-consent request, without losing my right to the floor.

Ms. MOSELEY-BRAUN. I thank my friend, the Senator from Texas.

“(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)(i)(I) of the Social Security Act (42 U.S.C. 1382(e)(1)(I)(i)(I)) through an agreement under section 1611(e)(1)(I)(ii)(II) of that Act (42 U.S.C. 1382(e)(1)(I)(ii)(II)), 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)(8)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)(E)) is amended by striking “paragraph (16)” and inserting “paragraph (16) or (20)(B)”.

(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 of the Food Stamp Act of 1977 (7 U.S.C. 2020) 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—

(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

AMENDMENT NO. 446

(Purpose: To require States to verify that prisoners are not receiving food stamp benefits)

Mrs. HUTCHISON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for herself and Mr. SANTORUM, proposes an amendment numbered 446.

Mrs. HUTCHISON. 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. DENIAL OF FOOD STAMPS FOR PRISONERS.

(a) STATE PLANS.—

(1) 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—

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 \$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 be taken out of the equation.

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)

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), 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.”

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—there were 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 committed crime 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 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.

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. 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.

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 584 of the Foreign Operations, Export Financing, and Related Programs Act of 1988, rather than 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.

AMENDMENT NO. 461

(Purpose: To provide for the treatment of certain Amerasian immigrants as refugees)

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/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 (8 U.S.C. 1612(a)(2)(A)) 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 “; 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).”.

(2) FOR PURPOSES OF TANF, SSBG, AND 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—

(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.”.

AMENDMENT NO. 464

(Purpose: To establish procedures to ensure a balanced Federal budget by fiscal year 2002)

At the end of the ____ add the following:

TITLE ___—BUDGET CONTROL**SEC. ___01. SHORT TITLE; PURPOSE.**

(a) **SHORT TITLE.**—This title may be cited as the "Bipartisan Budget Enforcement Act of 1997".

(b) **PURPOSE.**—The purpose of this title is—

(1) to ensure a balanced Federal budget by fiscal year 2002;

(2) to ensure that the Bipartisan 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 concurrent 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—

(1) 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 fiscal years; and

(2) 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 the information submitted by the President under section ___03 indicates—

(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. ___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 overage contained in the applicable report of the President under section ___04 through reconciliation directives.

(b) **WAIVER AND SUSPENSION.**—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn. This section shall be subject to the provisions of section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985.

(c) **APPEALS.**—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, 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 this section.

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.

AMENDMENTS NO. 475 THROUGH 498

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 . 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. 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.”

AMENDMENT NO. 479

(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 “(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).”

(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

(3)(A) (relating to the supplemental security income program), paragraph (1), and the September 30, 1997 application deadline under subparagraph (C), 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."

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)(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)."

(c) EFFECTIVE DATE.—The amendment made by subsection (a) applies to medical assistance furnished on or after July 1, 1997.

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. . REMOVAL OF NAME FROM NURSE AIDE REGISTRY.

(a) MEDICARE.—Section 1819(g)(1)(C) of the Social Security Act (42 U.S.C. 1395i-3(g)(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:

"(ii)(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."

(b) MEDICAID.—Section 1919(g)(1)(C) of the Social Security Act (42 U.S.C. 1396r(g)(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:

"(ii)(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 reg-

istry 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 subsection (a) and (b) shall permit an individual to petition for a review of any finding made by a State under section 1819(g)(1)(C) or 1919(g)(1)(C) of the Social Security Act (42 U.S.C. 1395i-3(g)(1)(C) or 1396r(g)(1)(C)) after January 1, 1995.

(d) STUDY AND REPORT.—

(I) STUDY.—The Secretary of Health and Human Services shall conduct a study of—

(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 on the registries;

(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 probational 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 2 years after the date of enactment of this Act, 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 line 10 and before line 15, and the following:

"(d) 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 6, 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. 636(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 illegal aliens.

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 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."

(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 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:

"(C) 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

"(ii) to an alien who—
 "(I) is lawfully residing in any State and 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.

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 yielded 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.

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 one hearing and 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 in this agreement. 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, slated 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, well, it won't happen in Texas. On what basis do they say that? Not a single Senator knows what is in that procurement document—not a single one—because it is confidential.

POINT OF ORDER

Mr. CONRAD. I rise to make a point of order that section 5822 of this bill is extraneous and violates section

Virginia: Electronic Data Systems, a Medicaid contract. By the way, this is the same company that seeks to privatize all—let me emphasize—every single Federal and State program in the State of Texas. The same company is involved in this Virginia matter.

This is a Medicaid contract in Virginia. The contract has been canceled; 20 months behind schedule; error rate of more than 50 percent—error rate of more than 50 percent—alleged sweetheart deal; EDS selected over competitor whose bid was 50 percent less; alleged conflict of interest; company won contract after making revolving-door hire of a senior Virginia Medicaid official.

Texas: Anderson Consulting, a child support system contract; 559 percent over the budget; over 4 years behind schedule; design errors result in inability to handle changes in Federal regulations; taxpayers to foot more than 78 percent of the project cost—another disaster.

Mr. President, before we do this, we ought to know what is in this procurement document. We shouldn't be handing a blank check to Texas, or any other State. I wouldn't advocate this for my State—a blank check that could blow up on the taxpayers like these examples have blown up.

Let me just conclude with the Florida Unisys contract, a Medicaid contract. Unisys employees arrested for grand theft; one pleaded guilty to fraud, forgery and money-laundering; two others charged with racketeering; more arrests expected; 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 review, without a single Senator knowing 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 review it, have hearings, and make a determination if it makes any sense for us to proceed on this basis. I think there are serious and legitimate questions surrounding this proposed procurement document.

The Texas waiver has serious unanswered questions. How do we prevent the massive cost overruns and high error rates that plague similar projects in other States?

How do we protect against revolving-door hiring, kickbacks, or other fraud?

Will the taxpayers be liable if a contractor fails to enroll eligible individuals?

You know, this is a fundamental responsibility 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 Americans 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 Tribune 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 contracting, vouchers, or other forms of privatization . . .

I think we all agree with that:

But when it comes to deciding who will receive public assistance or who should lose custody of a child, the private sector has its limits. If a private group's primary mission is to make profits . . . services may be reduced . . . Government employees, on the other hand, are subject to more public scrutiny and are 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 operating, developing, or planning the development of an integrated, automated eligibility and enrollment system for TANF, food stamps, and Medicaid. Thirty-eight States with Federally certified systems; three States installing; five States developing; two States planning; three States with State-developed systems.

Let's not throw the baby out with the bathwater.

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 Senator from Delaware.

MOTION TO WAIVE THE BUDGET ACT

Mr. ROTH. I move to waive the point of order.

Mr. CONRAD. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. State the inquiry.

Mr. CONRAD. Parliamentary inquiry. The motion to waive the point of order has been raised. Will this be stacked in votes tomorrow? Would that be the intention of the Chair?

Mr. ROTH. That would be the intent of the chairman.

Mr. CONRAD. That would be the intent of the chairman.

Mr. President, would that be the intent?

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.

The yeas and nays were ordered.

Mr. CONRAD. I thank the Chair.

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 chairman of the Finance Committee. But I expect to regain the floor.

AMENDMENT NO. 502

Mr. ROTH. Mr. President, I submit an amendment on behalf of Senator D'AMATO on Medicare, on the duplication provision for consideration tomorrow.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] for Mr. D'AMATO, proposes an amendment numbered 502.

The amendment is as follows:

Section 1. In 42 U.S.C. § 1395ss(d)(3)(A)(v), insert "(a)" before "For", and after the first sentence insert:

"(b) For purposes of this subparagraph, a health insurance policy (which may be a contract with a health maintenance organization) is not considered to "duplicate" health benefits under this title or title XIX or under another health insurance policy if it—

(I) provides comprehensive health care benefits that replace the benefits provided by another health insurance policy,

(II) is being provided to an individual entitled to benefits under Part A or enrolled under Part B on the basis of section 226(b), and

(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.

Section 2. In 42 U.S.C. § 1395ss(d)(3)(A)(v), insert "(c)" before "For purposes of this clause".

The PRESIDING OFFICER. The Senator from New Jersey.

POINT OF ORDER

Mr. LAUTENBERG. Mr. President, I want to commend our friend and colleague from North Dakota for being aware of what is potentially taking place here.

Mr. President, this is a small example 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 provision in this bill, that it will allow, as the Senator from North Dakota said, in this case Texas, but any State—to have private companies determine the eligibility for low-income benefits like Medicaid, WIC and food stamps.

Mr. President, this is a budget reconciliation 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 real impact 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. It was never discussed at any 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 these private companies have an 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 fairly complicated piece of business, and 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 way over the original cost estimate, as demonstrated in the example we saw, so we cannot afford to put 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 questionnaire they would say, "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 want to 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 deci-

sions 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 there is a place for that. 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 wisely limited the roll of 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 not reviewed the details of the Texas waiver, has never seen the full proposal, and since the Senator from North Dakota is also 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. I would be delighted.

Mr. CONRAD. Is the Senator aware that the proposal before us forces the Secretary of Health and Human Services to approve without comment or review any proposal submitted by the State of Texas which includes provisions to contract out for eligibility determinations? Was the Senator so aware?

Mr. LAUTENBERG. Not aware. 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 that has a 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's mind 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 cutting 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 possible, reduce expenses as much 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 liked that executive life when I was 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 things 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 determine 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,

S6288

CONGRESSIONAL RECORD—SENATE

June 24, 1997

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

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 medicaid 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 budget by fiscal year 2002.

Domenici (for Allard) amendment No. 465, to expand medical savings accounts to families with uninsured children.

Domenici (for Chafee) amendment No. 466, to extend the authority of the Nuclear Regulatory Commission to collect fees through September 30, 2002.

Domenici (for Grassley) amendment No. 467, to preserve religious choice in long-term care.

Domenici (for Kyl) amendment No. 468, to allow medicare beneficiaries to enter into private contracts for services.

Domenici (for Specter) amendment No. 469, to extend premium protection for low-income medicare beneficiaries under the medicaid program.

Domenici (for Specter) amendment No. 470, to strike the limitations on DSH payments to institutions for mental diseases under the medicaid program.

Domenici (for Specter) amendment No. 471, 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 disability benefits.

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 the Medicare Choice 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 the family violence option 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-to-work grants.

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 payment adjustments with 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 Kennedy) amendment No. 490, to improve the provisions relating to the Higher Education Act of 1965.

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 Kerrey) 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 medicaid program shall not preempt any State standards that are more stringent.

Lautenberg (for Harkin) amendment No. 498, to allow funds provided under the welfare-to-work grant program to be used for the microloan demonstration program under the Small Business Act.

Domenici amendment No. 499, to provide 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) modified amendment No. 503, to extend premium protection for low-income medicare beneficiaries under the medicaid program.

Lautenberg (for Kennedy) amendment No. 504, to immediately transfer to part B certain home health benefits.

Roth (for Lott) amendment No. 505 (to amendment No. 448), to improve the children's health initiative.

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.

BALANCED BUDGET ACT OF 1997

The PRESIDING OFFICER (Mr. ENZI). 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 the fiscal year 1998.

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.

Hutchinson amendment No. 447, to modify the reductions for disproportionate share hospital payments.

Chafee/Rockefeller/Jeffords 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. 456, to extend the moratorium regarding HealthSource Saginaw until December 31, 2002.

Domenici (for Helms) 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.

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

AMENDMENT NO. 450

The PRESIDING OFFICER. 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. BREAU. I have a unanimous consent. I ask unanimous consent Michelle Prejean, a member of my staff, be allowed floor privileges today.

The PRESIDING OFFICER. 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 PRESIDING OFFICER. 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 PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

There are 2 minutes equally divided. 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 children—deserving qualified children—and really relegated 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 chil-

dren. I hope you will consider voting to waive the provisions of the Budget Act and approval of this amendment.

The PRESIDING OFFICER. 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 PRESIDING OFFICER. 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 PRESIDING OFFICER. 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	Durbin	Leahy
Baucus	Felngold	Levin
Biden	Feinstein	Lieberman
Bingaman	Ford	Mikulski
Boxer	Glenn	Moseley-Braun
Breaux	Graham	Murray
Bryan	Harkin	Reed
Bumpers	Hollings	Reid
Chafee	Inouye	Robb
Cleland	Johnson	Rockefeller
Collins	Kennedy	Sarbanes
Conrad	Kerrey	Snowe
D'Amato	Kerry	Specter
Daschle	Kohl	Torricelli
Dodd	Landrieu	Wellstone
Dorgan	Lautenberg	Wyden

NAYS—52

Abraham	Gorton	McConnell
Allard	Gramm	Moynihan
Ashcroft	Grams	Murkowski
Bennett	Grassley	Nickles
Bond	Clegg	Roberts
Brownback	Hagel	Roth
Burns	Hatch	Santorum
Byrd	Helms	Sessions
Campbell	Hutchinson	Shelby
Coats	Hutchison	Smith (NH)
Cochran	Inhofe	Smith (OR)
Coverdell	Jeffords	Stevens
Craig	Kempthorne	Thomas
DeWine	Kyl	Thompson
Domenici	Lott	Thurmond
Enzi	Lugar	Warner
Faircloth	Mack	
Frist	McCain	

The PRESIDING OFFICER. On this 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.

AMENDMENT NO. 499 WITHDRAWN

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. 475

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.

The PRESIDING OFFICER. The Senator is correct. The Senate be in order. The Senator from New Jersey?

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.

AMENDMENT NO. 479

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

AMENDMENT NO. 461

Mr. DOMENICI. The amendment we are going to is amendment No. 461, the McCain amendment.

Might we proceed to amendment 461? We have just received a unanimous consent to set this aside.

The PRESIDING OFFICER. Who yields time on the McCain amendment?

Mr. DOMENICI. I do.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, this is going to be accepted. This amendment will reclassify certain Amerasian immigrants as refugees to exempt them from the restrictions on receiving benefits under the welfare reform bill. It costs about \$1 million and has been accepted on both sides.

Mr. LAUTENBERG. We have no objection.

Mr. BYRD. Mr. President, we cannot hear the explanation by the distinguished manager.

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 lose benefits are those who suffer from multiple problems, no one of which is severe enough to meet the more restrictive legal criteria, but the combined effect of which is substantial.

The Social Security Administration estimates that 135,000 low-income disabled children will be removed from the SSI as a result of the new law. Others put the number much higher.

In any case, since SSI eligibility is linked to Medicaid eligibility, many of these children will be terminated from the Medicaid Program, unless they qualify on other grounds. The administration believes that, in the end, about 30,000 disabled children from low income families will lose Medicaid coverage.

Mr. President, the loss of Medicaid coverage is likely to create serious problems for these families. Private insurance will be very difficult to find. And even if it's available, the costs will reflect the conditions that these children have.

Compounding matters, these families also will be suffering large income losses because of the loss of their children's SSI benefits.

Mr. President, these families had low incomes even before these benefits were withdrawn. And now they are facing severe financial hardships. Allowing these to keep Medicaid coverage is the right thing to do. Otherwise, we are likely to see even more children become uninsured.

Mr. President, one of the core principles of the bipartisan budget agreement was to provide health care coverage for as many as 5 million uninsured children. And it was my understanding that the budget negotiators agreed to restore Medicaid for these roughly 30,000 SSI kids. Not as part of the \$16 billion child health initiative, but as a separate, binding commitment. That is clearly the understanding of the administration, as well.

Unfortunately, Mr. President, Senator DOMENICI has a different recollection of what was agreed to, and I know he holds that view in good faith. So we have an honest disagreement.

But regardless of whose recollection is more accurate, Mr. President, I would urge my colleagues to protect these vulnerable children and their families.

Mr. President, I know that Senators on both sides of the aisle share a commitment to covering all of America's children. And so I hope that this amendment will win broad support.

Keep in mind that that these children don't just come from low-income

families. They are disabled, even though they don't meet the new eligibility standards for SSI. And many of them will be become completely uninsured if we do not correct this problem.

I also want to make sure that Senators understand that this amendment would not restore any SSI benefits. All it would do is restore Medicaid coverage for these children. But that would greatly ease the hardships facing many of these families, and reduce the number of 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 OK, 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 than 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. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO WAIVE THE BUDGET ACT

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act, section 310. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

The yeas and nays resulted—yeas 49, nays 51, as follows:

[Rollcall Vote No. 118 Leg.]

YEAS—49

Akaka	Feingold	Levin
Baucus	Felstein	Lieberman
Biden	Ford	Mikulski
Bingaman	Glenn	Moseley-Braun
Boxer	Graham	Moynihan
Breaux	Harkin	Murray
Bryan	Hollings	Reed
Bumpers	Inouye	Reid
Campbell	Jeffords	Robb
Chafee	Johnson	Rockefeller
Cleland	Kennedy	Sarbanes
Conrad	Kerrey	Specter
D'Amato	Kerry	Torricelli
Daschle	Kohl	Wellstone
Dodd	Landrieu	Wyden
Dorgan	Lautenberg	
Durbin	Leahy	

NAYS—51

Abraham	Frist	McCain
Allard	Gorton	McConnell
Ashcroft	Gramm	Murkowski
Bennett	Grams	Nickles
Bond	Grassley	Roberts
Brownback	Gregg	Roethlisberger
Burns	Hagel	Santorum
Byrd	Hatch	Sessions
Coats	Helms	Shelby
Cochran	Hutchinson	Smith (NH)
Collins	Hutchison	Smith (OR)
Coverdell	Inhofe	Snowe
Craig	Kempthorne	Stevens
DeWine	Kyl	Thomas
Domenici	Lott	Thompson
Enzi	Lugar	Thurmond
Faircloth	Mack	Warner

The PRESIDING OFFICER. On this vote, the yeas are 49, the nays are 51. 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 addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. May I have the attention of the Senate for just a moment?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from New Mexico.

Mr. DOMENICI. Could I ask the clerk, how long have we been taking in terms of time on the rollcalls on the amendments?

The PRESIDING OFFICER. Votes are taking approximately 15 minutes.

Mr. DOMENICI. We are on 10-minute rollcall votes, I say to the Senators. The longer we take for these, the longer we go into the evening tonight. I really urge you to do your best to get here quickly so we can wrap them up in 10 minutes. I understand 10 to 11 is sufficient. I thank the Senate.

S6301

BALANCED BUDGET ACT OF 1997

Mr. DOMENICI. Parliamentary inquiry. Is it not time to return to consideration of the bill?

The PRESIDING OFFICER. Under the previous agreement, the Senate resumes consideration of S. 947. The Senator is correct.

The Senate continued with the consideration of the bill.

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

them from completing their naturalization process. Therefore, they cannot become citizens. They are noncitizens, but legal. As a result, they are denied benefits described in the Kennedy amendment for only that reason. So I agree to accept that.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 493) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 493

Mr. DOMENICI. Senator KENNEDY has an amendment, No. 493, Kennedy-Lautenberg. Senator 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

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 to expand access to 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, despite 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 the 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 a good vote 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 political lightning rod, 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.

We have much to do, 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.

POINT OF ORDER

Mr. DASCHLE. Mr. President, pursuant to section 313 of the Congressional Budget Act, I make a point of order that the following sections of the pending bill are extraneous to the reconciliation instructions of the respective committee of jurisdiction: section 5713, section 5833, and section 5987.

The PRESIDING OFFICER. The Chair sustains the points of order.

Mr. ROBB. Mr. President, I rise today to discuss S. 947, the Balanced Budget Act of 1997. I'm pleased that we've come together in a bipartisan way—both sides of the aisle, both sides of the Capitol, and both ends of Pennsylvania Avenue—to craft a plan that brings us a step closer to fiscal sanity.

The good news, Mr. President, is that the bill before us realizes roughly \$137 billion in savings over the next 5 years. And that's good news for our country and for our children and our grandchildren.

S. 947 provides additional years of solvency to the Medicare hospital trust fund, reforms payment methodologies

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 immigrant 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 package 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. 862, authored by Senator GRASSLEY, which followed the same lines of reform and even more closely resembles 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 long-standing 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 GRAHAM of Florida 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 upon 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.

BIPARTISAN BUDGET AGREEMENT ITEMS TO BE ACHIEVED IN APPROPRIATIONS PROCESS

Mr. DOMENICI. Mr. President, I rise to address some concerns expressed by the administration with regard to two items they believe should be in this reconciliation bill. I would like to clarify what we assumed in the 1998 budget resolution for those items.

The bipartisan budget agreement did include assumptions on additional funding for unemployment insurance benefits integrity and on extension of fees for SSI State supplemental benefit administration. In both instances, the budget resolution assumed that these proposals would be implemented by the Appropriations Committee, and therefore the authorizing committees were not instructed to achieve these savings in reconciliation. The budget resolution is the basis for scoring congressional action and cannot be changed in an ad hoc manner, that is, without passing another concurrent resolution to change it.

I would ask the chairman of the Appropriations Committee if it is not also his understanding that these proposals are to be considered by his committee?

Mr. STEVENS. As chairman of the Appropriations Committee, I am committed to working with the chairman, and the administration regarding the levels of funding assumed in the bipartisan budget agreement that are within purview of the Appropriations Committee. It is my understanding that the Subcommittee on Labor, Health and Human Services, and Education has been working with the Office of Management and Budget with regard to the proposals you have mentioned.

Mr. DOMENICI. I thank the Senator for helping clarify this matter.

"marked and severe functional limitations" to become eligible for Supplemental 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 Social Security Administration issued interim 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 establishes an overly severe standard that misinterprets the intent of Congress to reform the SSI program for children with disabilities. SSA's test would remove up to 135,000 SSI disabled children 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 Administration should establish a comprehensive functional test at a stricter severity level than the former individualized functional assessment test, but one that does not harm children with serious disabilities. A test protecting children with severely disabling conditions—including those with one marked and one moderate condition—would accurately reflect the intent of Congress. The administration has estimated this test would terminate 45,000 children this year, and close to 250,000 over 6 years.

Mr. President, I have already heard from constituents in my State of Vermont whose children will soon lose their SSI benefits. These families have nowhere else to turn. Such predicaments 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 shifting 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 pursuing with the Administration with the intent of reconciling the Administration's interpretation with the regulations passed by Congress during the welfare debate last fall.

FINAL REGULATIONS ON SOCIAL SECURITY
INSURANCE DETERMINATIONS FOR CHILDREN

Mr. JEFFORDS. Mr. President, during the consideration of this important bill, I would like to bring to your attention developments regarding the administration's recently released SSI regulations for children. Through sections 211 and 212 of Public Law 104-193, the Personal Responsibility and Work Opportunity Act of 1996, Congress established a new eligibility test requiring that children show the presence of

S6331

Mr. DOMENICI. Mr. President, let me take 1 minute, and then we are going to final passage. I want to thank everybody for their cooperation. Under a very difficult process and procedure, I think we did very well. On a number of issues, there was great bipartisan support. I thank those on the other side of the aisle who have supported this overall package, and I hope the vote is overwhelming. Tonight we complete

the first step of three legs. The three legs are to get the deficit down by reducing spending; second is for us to get a good tax bill for all Americans; third is to do the appropriations bills in a manner that is consistent with the agreement and which doesn't violate the Budget Act.

I believe this is a historic beginning, and I am very pleased to be part of it. I thank everyone here for their role. I thank all eight committees that assumed their burden and produced their reconciliation package. Mostly, I thank Senator ROTH, the chairman of the Finance Committee, and Senator MOYNIHAN, his Democratic manager, and all those on the Finance Committee who worked to produce a bipartisan bill.

The lesson learned is that we can get things done that are difficult but good for the American people in a bipartisan way if we just work at it. I believe the best example we have of that is the Finance Committee this year. All the other committees had lesser responsibilities, but they provided their savings without rancor and with almost unanimity and, if not, a unanimity of spirit. I believe there is no process that would have let us in the U.S. Senate get this much work done. If this bill were freestanding and the tax bill were freestanding without the protections of the Budget Act, I just ask you to dream about what might happen. First, I think each bill could take 4 or 5 weeks, I think the amendments could run into the hundreds, and the bill could look like something completely different by the time we finished than what we started with. So we take some bad with the good in this difficult process called the reconciliation bill.

I thank the ranking member of the Budget Committee not only for the work here on the floor, but actually as we moved through the last 3½ months, Senator LAUTENBERG has been very good to work with, and we produced a good package, which will show up here in a bipartisan vote tonight. I thank the Senator. We produced a good bill.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. Mr. President, I will be brief. I sense that everybody would like to hear a long speech, but I am going to disappoint them. I just want to say, Mr. President, that I, too, enjoyed my work with the distinguished chairman of the Budget Committee. 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 appropriately noted, rush through some things. But that does not at all, in my view, suggest that we rushed through and didn't have the 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

constraint on this, Heaven knows how long we would all be here. We would see summer come and go and we would still be debating.

Again, I enjoyed the process and my first time at bat with the Budget Committee in the position that I have. I thoroughly enjoyed it. I hope that Senator DOMENICI will, as my ranking member in the not-too-distant future, also enjoy it. I promise to be cooperative.

I want to thank the staff of the Policy Committee, but particularly my senior staff here—Bruce King, Sander Lurie, Nell Mays, Marty Morris, Amy Abraham, John Cahill, Jodi Grant, Matt Greenwald, Phil Karsting, Sue Nelson, Jon Rosenwasser, Jim Klumpner, and Mitch Warren—who did a terrific job, as I know Bill Hoagland and his team did. I won't go through the names, but I will say that I have gotten to know them and respect them and admire the work they have done. I thank everybody for their cooperation, particularly my colleagues on this side.

Mr. DOMENICI. Mr. President, Senator GRAMM would like 30 seconds.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I have heard a lot of people speak in my 13 years in the Senate, but I don't think I have ever seen anybody do a better job of taking complicated issues and explaining them in a very short time as Senator DOMENICI has done in the last 2 days. I think we have made history on this bill, and I think the Senator from New Mexico has been a very important part of that.

Mr. DOMENICI. I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 73, nays 27, as follows:

[Rollcall Vote No. 130 Leg.]

YEAS—73

Abraham	Chafee	Feingold
Allard	Cleland	Feinstein
Ashcroft	Coats	Ford
Baucus	Cochran	Frist
Bennett	Collins	Glenn
Biden	Conrad	Gorton
Bond	Coverdell	Graham
Breaux	Craig	Gramm
Brownback	D'Amato	Grassley
Bryan	DeWine	Gregg
Burns	Domenici	Hagel
Campbell	Enzi	Hatch

Hutchinson	Mack	Shelby
Hutchison	McCain	Smith (NH)
Inhofe	McConnell	Smith (OR)
Jeffords	Moseley-Braun	Snowe
Kempthorne	Moynihan	Specter
Kerrey	Murkowski	Stevens
Kohl	Nickles	Thomas
Kyl	Robb	Thompson
Landrieu	Roberts	Thurmond
Leahy	Rockefeller	Warner
Lieberman	Roth	Wyden
Lott	Santorum	
Lugar	Sessions	

NAYS—27

Akaka	Faircloth	Lautenberg
Bingaman	Grams	Levin
Boxer	Harkin	Mikulski
Bumpers	Helms	Murray
Byrd	Hollings	Reed
Daschle	Inouye	Reid
Dodd	Johnson	Sarbanes
Dorgan	Kennedy	Torricelli
Durbin	Kerry	Wellstone

The bill (S. 947), as amended, was passed.

(The text of the bill will be printed in a future edition of the RECORD.)

Mr. ROTH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROTH. Mr. President, in my opening statement, I thanked my good friend and colleague, Senator MOYNIHAN, my colleague on the Finance Committee, and our staff for their excellent work. I would be remiss, however, if I failed to conclude without again expressing my appreciation for these diligent professionals—men and women who work into the wee, wee hours, late nights, early mornings, and weekends to help us craft a bill that could find the kind of success that this has found on the Senate floor.

I would like to particularly thank the following majority and minority staff of the Finance Committee who worked so hard on this bill, including Lindy Paull, Frank Polk, Julie James, Dennis Smith, Gioia Bonmartini, Alexander Vachon, Dee Dee Spitznagel, Joan Woodward, Brig Gulya, Mark Patterson, David Podoff, Faye Drummond, Kristen Testa, Doug Steiger, Rick Werner, and Rakesh Singh.

Again, I am grateful for the outstanding work that they did. And I believe that it merits the thanks and gratitude of all of us.

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,

June 25, 1997.

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*
3 *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.*

4 **TITLE V—COMMITTEE ON**
5 **FINANCE**

6 **SEC. 5000. AMENDMENTS TO SOCIAL SECURITY ACT AND**
7 **REFERENCES TO OBRA; TABLE OF CONTENTS**
8 **OF TITLE.**

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

15 (b) *REFERENCES TO OBRA.—In this title, the terms*
16 *“OBRA–1986”, “OBRA–1987”, “OBRA–1989”, “OBRA–*
17 *1990”, and “OBRA–1993” refer to the Omnibus Budget*
18 *Reconciliation Act of 1986 (Public Law 99–509), the Omni-*
19 *bus Budget Reconciliation Act of 1987 (Public Law 100–*
20 *203), the Omnibus Budget Reconciliation Act of 1989 (Pub-*
21 *lic Law 101–239), the Omnibus Budget Reconciliation Act*
22 *of 1990 (Public Law 101–508), and the Omnibus Budget*
23 *Reconciliation Act of 1993 (Public Law 103–66), respec-*
24 *tively.*

- 1 (c) *TABLE OF CONTENTS.*—*The table of contents of this*
 2 *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. 5021. National Bipartisan Commission on the Future of Medicare.

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. 5501. Establishment of single conversion factor for 1998.*

- 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.*
- Sec. 5504. Payment rules for anesthesia services.*
- Sec. 5505. Implementation of resource-based methodologies.*
- Sec. 5506. Increased medicare reimbursement for nurse practitioners and clinical nurse specialists.*
- Sec. 5507. Increased medicare reimbursement for physician assistants.*

CHAPTER 2—OTHER PAYMENT PROVISIONS

- Sec. 5521. Reduction in updates to payment amounts for clinical diagnostic laboratory tests; study on laboratory services.*
- Sec. 5522. Improvements in administration of laboratory services benefit.*
- Sec. 5523. Payments for durable medical equipment.*
- Sec. 5524. Oxygen and oxygen equipment.*
- Sec. 5525. Updates for ambulatory surgical services.*
- Sec. 5526. Reimbursement for drugs and biologicals.*

CHAPTER 3—PART B PREMIUM AND RELATED PROVISIONS

- Sec. 5541. Part B premium.*
- Sec. 5542. Income-related reduction in medicare subsidy.*
- Sec. 5543. Demonstration project on income-related part B deductible.*
- Sec. 5544. Low-income medicare beneficiary block grant program.*

Subtitle H—Provisions Relating to Parts A and B

CHAPTER 1—SECONDARY PAYOR PROVISIONS

- Sec. 5601. Extension and expansion of existing requirements.*
- Sec. 5602. Improvements in recovery of payments.*

CHAPTER 2—OTHER PROVISIONS

- Sec. 5611. Conforming age for eligibility under medicare to retirement age for social security benefits.*
- Sec. 5612. Increased certification period for certain organ procurement organizations.*
- Sec. 5613. Facilitating the use of private contracts under the medicare program.*

Subtitle I—Miscellaneous Provisions

- Sec. 5651. Inclusion of Stanly County, N.C. in a large urban area under medicare program.*
- Sec. 5652. Medicare anti-duplication provision.*

DIVISION 2—MEDICAID AND CHILDREN'S HEALTH INSURANCE INITIATIVES

Subtitle I—Medicaid

CHAPTER 1—MEDICAID SAVINGS

SUBCHAPTER A—MANAGED CARE REFORMS

- Sec. 5701. State option for mandatory managed care.*

"PART B—PROVISIONS RELATING TO MANAGED CARE

- "Sec. 1941. Beneficiary choice; enrollment.*
- "Sec. 1942. Beneficiary access to services generally.*
- "Sec. 1943. Requirements for access to emergency care.*
- "Sec. 1944. Other beneficiary protections.*
- "Sec. 1945. Assuring quality care.*
- "Sec. 1946. Protections for providers.*
- "Sec. 1947. Assuring adequacy of payments to medicaid managed care organizations and entities.*
- "Sec. 1948. Fraud and abuse.*
- "Sec. 1949. Sanctions for noncompliance by managed care entities.*
- "Sec. 1950. Definitions; miscellaneous provisions."*
- Sec. 5702. Primary care case management services as State option without need for waiver.*
- Sec. 5703. Additional reforms to expand and simplify managed care.*

SUBCHAPTER B—MANAGEMENT FLEXIBILITY REFORMS

- Sec. 5711. Elimination of Boren amendment requirements for provider payment rates.*
- Sec. 5712. Medicaid payment rates for qualified medicare beneficiaries.*

SUBCHAPTER C—REDUCTION OF DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

- Sec. 5721. Disproportionate share hospital (DSH) payments.*

CHAPTER 2—EXPANSION OF MEDICAID ELIGIBILITY

- Sec. 5731. State option to permit workers with disabilities to buy into medicaid.*
- Sec. 5732. 12-month continuous eligibility for children.*

CHAPTER 3—PROGRAMS OF ALL-INCLUSIVE CARE FOR THE ELDERLY (PACE)

- Sec. 5741. Establishment of PACE program as medicaid State option.*
- Sec. 5742. Effective date; transition.*
- Sec. 5743. Study and reports.*

CHAPTER 4—MEDICAID MANAGEMENT AND PROGRAM REFORMS

- Sec. 5751. Elimination of requirement to pay for private insurance.*
- Sec. 5752. Elimination of obstetrical and pediatric payment rate requirements.*
- Sec. 5753. Physician qualification requirements.*
- Sec. 5754. Expanded cost-sharing requirements.*
- Sec. 5755. Penalty for fraudulent eligibility.*
- Sec. 5756. Elimination of waste, fraud, and abuse.*
- Sec. 5757. Study on EPSDT benefits.*
- Sec. 5758. Study and guidelines regarding managed care organizations and individuals with special health care needs.*

CHAPTER 5—MISCELLANEOUS

- Sec. 5761. Increased FMAPs.*
- Sec. 5762. Increase in payment caps for territories.*
- Sec. 5763. Community-based mental health services.*
- Sec. 5764. Optional medicaid coverage of certain CDC-screened breast cancer patients.*

- Sec. 5765. Treatment of State taxes imposed on certain hospitals that provide free care.*
- Sec. 5766. Treatment of veterans pensions under medicaid.*
- Sec. 5767. Removal of name from nurse aide registry.*
- Sec. 5768. Waiver of certain provider tax provisions.*
- Sec. 5769. Continuation of State-wide section 1115 medicaid waivers.*
- Sec. 5770. Effective date.*

Subtitle J—Children’s Health Insurance Initiatives

- Sec. 5801. Establishment of children’s health insurance initiatives.*

“TITLE XXI—CHILD HEALTH INSURANCE INITIATIVES

- “Sec. 2101. Purpose.*
- “Sec. 2102. Definitions.*
- “Sec. 2103. Appropriation.*
- “Sec. 2104. Program outline.*
- “Sec. 2105. Distribution of funds.*
- “Sec. 2106. Use of funds.*
- “Sec. 2107. State option for the purchase or provision of children’s health insurance.*
- “Sec. 2108. Program integrity.*
- “Sec. 2109. Annual reports.”.*

DIVISION 3—INCOME SECURITY AND OTHER PROVISIONS

Subtitle K—Income Security, Welfare-to-Work Grant Program, and Other Provisions

CHAPTER 1—INCOME SECURITY

- Sec. 5811. SSI eligibility for aliens receiving SSI on August 22, 1996.*
- Sec. 5812. Extension of eligibility period for refugees and certain other qualified aliens from 5 to 7 years for SSI and medicaid.*
- Sec. 5813. Exceptions for certain Indians from limitation on eligibility for supplemental security income and medicaid benefits.*
- Sec. 5814. SSI eligibility for disabled legal aliens in the United States on August 22, 1996.*
- Sec. 5815. Exemption from restriction on supplemental security income program participation by certain recipients eligible on the basis of very old applications.*
- Sec. 5816. Reinstatement of eligibility for benefits.*
- Sec. 5817. Exemption for children who are legal aliens from 5-year ban on medicaid eligibility.*
- Sec. 5818. Treatment of certain Amerasian immigrants as refugees.*
- Sec. 5819. SSI eligibility for severely disabled aliens.*
- Sec. 5820. Effective date.*

CHAPTER 2—WELFARE-TO-WORK GRANT PROGRAM

- Sec. 5821. Welfare-to-work grants.*
- Sec. 5822. Clarification of a State’s ability to sanction an individual receiving assistance under TANF for noncompliance.*

CHAPTER 3—UNEMPLOYMENT COMPENSATION

- Sec. 5831. Increase in Federal unemployment account ceiling.*

- Sec. 5832. Special distribution to States from unemployment trust fund.*
Sec. 5833. Treatment of certain services performed by inmates.

DIVISION 4—EARNED INCOME CREDIT AND OTHER PROVISIONS

Subtitle L—Earned Income Credit and Other Provisions

CHAPTER 1—EARNED INCOME CREDIT

- Sec. 5851. Restrictions on availability of earned income credit for taxpayers who improperly claimed credit in prior year.*

CHAPTER 2—INCREASE IN PUBLIC DEBT LIMIT

- Sec. 5861. Increase in public debt limit.*

CHAPTER 3—MISCELLANEOUS

- Sec. 5871. Sense of the Senate regarding the correction of cost-of-living adjustments.*

Subtitle M—Welfare Reform Technical Corrections

- Sec. 5900. Short title of subtitle.*

CHAPTER 1—BLOCK GRANTS FOR TEMPORARY ASSISTANCE TO NEEDY FAMILIES

- Sec. 5901. Amendment of the Social Security Act.*
Sec. 5902. Eligible States; State plan.
Sec. 5903. Grants to States.
Sec. 5904. Use of grants.
Sec. 5905. Mandatory work requirements.
Sec. 5906. Prohibitions; requirements.
Sec. 5907. Penalties.
Sec. 5908. Data collection and reporting.
Sec. 5909. Direct funding and administration by Indian tribes.
Sec. 5910. Research, evaluations, and national studies.
Sec. 5911. Report on data processing.
Sec. 5912. Study on alternative outcomes measures.
Sec. 5913. Limitation on payments to the territories.
Sec. 5914. Conforming amendments to the Social Security Act.
Sec. 5915. Other conforming amendments.
Sec. 5916. Modifications to the job opportunities for certain low-income individuals program.
Sec. 5917. Denial of assistance and benefits for drug-related convictions.
Sec. 5918. Transition rule.
Sec. 5919. Protecting victims of family violence.
Sec. 5920. Effective dates.

CHAPTER 2—SUPPLEMENTAL SECURITY INCOME

- Sec. 5921. Conforming and technical amendments relating to eligibility restrictions.*
Sec. 5922. Conforming and technical amendments relating to benefits for disabled children.
Sec. 5923. Additional technical amendments to title XVI.
Sec. 5924. Additional technical amendments relating to title XVI.

Sec. 5925. Effective dates.

CHAPTER 3—CHILD SUPPORT

- Sec. 5935. State obligation to provide child support enforcement services.*
Sec. 5936. Distribution of collected support.
Sec. 5937. Civil penalties relating to State directory of new hires.
Sec. 5938. Federal Parent Locator Service.
Sec. 5939. Access to registry data for research purposes.
Sec. 5940. Collection and use of social security numbers for use in child support enforcement.
Sec. 5941. Adoption of uniform State laws.
Sec. 5942. State laws providing expedited procedures.
Sec. 5943. Voluntary paternity acknowledgement.
Sec. 5944. Calculation of paternity establishment percentage.
Sec. 5945. Means available for provision of technical assistance and operation of Federal Parent Locator Service.
Sec. 5946. Authority to collect support from Federal employees.
Sec. 5947. Definition of support order.
Sec. 5948. State law authorizing suspension of licenses.
Sec. 5949. International support enforcement.
Sec. 5950. Child support enforcement for Indian tribes.
Sec. 5951. Continuation of rules for distribution of support in the case of a title IV-E child.
Sec. 5952. Good cause in foster care and food stamp cases.
Sec. 5953. Date of collection of support.
Sec. 5954. Administrative enforcement in interstate cases.
Sec. 5955. Work orders for arrearages.
Sec. 5956. Additional technical State plan amendments.
Sec. 5957. Federal case registry of child support orders.
Sec. 5958. Full faith and credit for child support orders.
Sec. 5959. Development costs of automated systems.
Sec. 5960. Additional technical amendments.
Sec. 5961. Effective date.

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.*
Sec. 5966. Exceptions to benefit limitations: Corrections to reference concerning aliens whose deportation is withheld.
Sec. 5967. Veterans exception: Application of minimum active duty service requirement; extension to unremarried surviving spouse; expanded definition of veteran.
Sec. 5968. Correction of reference concerning Cuban and Haitian entrants.
Sec. 5969. Notification concerning aliens not lawfully present: Correction of terminology.
Sec. 5970. Freely associated States: Contracts and licenses.
Sec. 5971. Congressional statement regarding benefits for Hmong and other Highland Lao veterans.

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.*

- Sec. 5973. Verification of eligibility for benefits.*
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.
Sec. 5975. Statutory construction: Benefit eligibility limitations applicable only with respect to aliens present in the United States.

*SUBCHAPTER C—MISCELLANEOUS CLERICAL AND TECHNICAL AMENDMENTS;
EFFECTIVE DATE*

- 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. 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.

3 ***Subtitle D—Anti-Fraud and Abuse***
4 ***Provisions and Improvements in***
5 ***Protecting Program Integrity***

18 ***CHAPTER 2—IMPROVEMENTS IN***
19 ***PROTECTING PROGRAM INTEGRITY***

3 **SEC. 5212. PROVISION OF CERTAIN IDENTIFICATION NUM-**
4 **BERS.**

5 (a) *REQUIREMENTS TO DISCLOSE EMPLOYER IDENTI-*
6 *FICATION NUMBERS (EINS) AND SOCIAL SECURITY AC-*
7 *COUNT NUMBERS (SSNs).—Section 1124(a)(1) (42 U.S.C.*
8 *1320a–3(a)(1)) is amended by inserting before the period*
9 *at the end the following: “and supply the Secretary with*
10 *the both the employer identification number (assigned pur-*
11 *suant to section 6109 of the Internal Revenue Code of 1986)*
12 *and social security account number (assigned under section*
13 *205(c)(2)(B)) of the disclosing entity, each person with an*
14 *ownership or control interest (as defined in subsection*
15 *(a)(3)), and any subcontractor in which the entity directly*
16 *or indirectly has a 5 percent or more ownership interest”.*

17 (b) *OTHER MEDICARE PROVIDERS.—Section 1124A*
18 *(42 U.S.C. 1320a–3a) is amended—*

19 (1) *in subsection (a)—*

20 (A) *in paragraph (1), by striking “and” at*
21 *the end;*

22 (B) *in paragraph (2), by striking the period*
23 *at the end and inserting “; and”; and*

24 (C) *by adding at the end the following:*

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

8 (2) in subsection (c)(1), by inserting “(or, for
9 purposes of subsection (a)(3), any entity receiving
10 payment)” after “on an assignment-related basis”.

11 (c) VERIFICATION BY SOCIAL SECURITY ADMINISTRA-
12 TION (SSA).—Section 1124A (42 U.S.C. 1320a–3a), as
13 amended by subsection (b), is amended—

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

16 (2) by inserting after subsection (b) the follow-
17 ing:

18 “(c) VERIFICATION.—

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

21 “(A) to the Commissioner of Social Security
22 information concerning each social security ac-
23 count number (assigned under section
24 205(c)(2)(B)), and

1 “(B) to the Secretary of the Treasury infor-
2 mation concerning each employer identification
3 number (assigned pursuant to section 6109 of the
4 Internal Revenue Code of 1986),
5 supplied to the Secretary pursuant to subsection
6 (a)(3) or section 1124(c) to the extent necessary for
7 verification of such information in accordance with
8 paragraph (2).

9 “(2) VERIFICATION.—The Commissioner of So-
10 cial Security and the Secretary of the Treasury shall
11 verify the accuracy of, or correct, the information
12 supplied by the Secretary to such official pursuant to
13 paragraph (1), and shall report such verifications or
14 corrections to the Secretary.

15 “(3) FEES FOR VERIFICATION.—The Secretary
16 shall reimburse the Commissioner and Secretary of
17 the Treasury, at a rate negotiated between the Sec-
18 retary and such official, for the costs incurred by such
19 official in performing the verification and correction
20 services described in this subsection.”.

21 (d) REPORT.—The Secretary of Health and Human
22 Services shall submit to Congress a report on steps the Sec-
23 retary has taken to assure the confidentiality of social secu-
24 rity account numbers that will be provided to the Secretary
25 under the amendments made by this section.

1 (e) *EFFECTIVE DATES.*—

2 (1) *DISCLOSURE REQUIREMENTS.*—*The amend-*
3 *ment made by subsection (a) shall apply to the appli-*
4 *cation of conditions of participation, and entering*
5 *into and renewal of contracts and agreements, occur-*
6 *ring more than 90 days after the date of submission*
7 *of the report under subsection (d).*

8 (2) *OTHER PROVIDERS.*—*The amendments made*
9 *by subsection (b) shall apply to payment for items*
10 *and services furnished more than 90 days after the*
11 *date of submission of such report.*

1 **DIVISION 3—INCOME SECURITY**
 2 **AND OTHER PROVISIONS**
 3 **Subtitle K—Income Security, Wel-**
 4 **fare-to-Work Grant Program,**
 5 **and Other Provisions**
 6 **CHAPTER 1—INCOME SECURITY**

7 **SEC. 5811. SSI ELIGIBILITY FOR ALIENS RECEIVING SSI ON**
 8 **AUGUST 22, 1996.**

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

13 “(E) *ALIENS RECEIVING SSI ON AUGUST 22,*
 14 *1996.*—With respect to eligibility for benefits for
 15 the program defined in paragraph (3)(A) (relat-
 16 ing to the supplemental security income pro-
 17 gram), paragraph (1) shall not apply to an alien
 18 who is lawfully residing in any State and who
 19 was receiving such benefits on August 22, 1996.”.

20 (b) *STATUS OF CUBAN AND HAITIAN ENTRANTS.*—For
 21 purposes of section 402(a)(2)(E) of the Personal Respon-
 22 sibility and Work Opportunity Reconciliation Act of 1996
 23 (8 U.S.C. 1612(a)(2)(E)), an alien who is a Cuban and
 24 Haitian entrant, as defined in section 501(e) of the Refugee

1 *Education Assistance Act of 1980, shall be considered a*
2 *qualified alien.*

3 (c) *CONFORMING AMENDMENTS.—Section*
4 *402(a)(2)(D) of the Personal Responsibility and Work Op-*
5 *portunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(D))*
6 *is amended—*

7 (1) *by striking clause (i);*

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

10 (3) *by striking “(i) FOOD STAMPS”; and*

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

13 **SEC. 5812. EXTENSION OF ELIGIBILITY PERIOD FOR REFU-**
14 **GEES AND CERTAIN OTHER QUALIFIED**
15 **ALIENS FROM 5 TO 7 YEARS FOR SSI AND**
16 **MEDICAID.**

17 (a) *SSI.—Section 402(a)(2)(A) of the Personal Re-*
18 *sponsibility and Work Opportunity Reconciliation Act of*
19 *1996 (8 U.S.C. 1612(a)(2)(A)) is amended to read as fol-*
20 *lows:*

21 (A) *TIME-LIMITED EXCEPTION FOR REFU-*
22 *GEES AND ASYLEES.—*

23 (i) *SSI.—With respect to the specified*
24 *Federal program described in paragraph*

1 (3)(A) paragraph 1 shall not apply to an
2 alien until 7 years after the date—

3 “(I) an alien is admitted to the
4 United States as a refugee under sec-
5 tion 207 of the Immigration and Na-
6 tionality Act;

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

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

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

17 “(I) an alien is admitted to the
18 United States as a refugee under sec-
19 tion 207 of the Immigration and Na-
20 tionality Act;

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

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

1 **(b) MEDICAID.**—Section 402(b)(2)(A) of the Personal
2 *Responsibility and Work Opportunity Reconciliation Act*
3 *of 1996 (8 U.S.C. 1612(b)(2)(A)) is amended to read as fol-*
4 *lows:*

5 “(A) *TIME-LIMITED EXCEPTION FOR REFU-*
6 *GEES AND ASYLEES.*—

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

12 “(I) *an alien is admitted to the*
13 *United States as a refugee under sec-*
14 *tion 207 of the Immigration and Na-*
15 *tionality Act;*

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

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

21 “(ii) *OTHER DESIGNATED FEDERAL*
22 *PROGRAMS.*—*With respect to the designated*
23 *Federal programs under paragraph (3)*
24 *(other than subparagraph (C)), paragraph*

1 1 shall not apply to an alien until 5 years
2 after the date—

3 “(I) an alien is admitted to the
4 United States as a refugee under sec-
5 tion 207 of the Immigration and Na-
6 tionality Act;

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

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

12 (c) *STATUS OF CUBAN AND HAITIAN ENTRANTS.*—For
13 purposes of sections 402(a)(2)(A) and 402(b)(2)(A) of the
14 *Personal Responsibility and Work Opportunity Reconcili-*
15 *ation Act of 1996 (8 U.S.C. 1612(a)(2)(A), (b)(2)(A)), an*
16 *alien who is a Cuban and Haitian entrant, as defined in*
17 *section 501(e) of the Refugee Education Assistance Act of*
18 *1980, shall be considered a refugee.*

19 **SEC. 5813. EXCEPTIONS FOR CERTAIN INDIANS FROM LIM-**
20 **TATION ON ELIGIBILITY FOR SUPPLEMENTAL**
21 **SECURITY INCOME AND MEDICAID BENEFITS.**

22 (a) *EXCEPTION FROM LIMITATION ON SSI ELIGI-*
23 *BILITY.*—Section 402(a)(2) of the *Personal Responsibility*
24 *and Work Opportunity Reconciliation Act of 1996 (8*
25 *U.S.C. 1612(a)(2)) is amended—*

1 (1) by redesignating subparagraph (D) and sub-
2 paragraph (E); and

3 (2) by inserting after subparagraph (C) the fol-
4 lowing:

5 “(D) SSI EXCEPTION FOR CERTAIN INDI-
6 ANS.—With respect to eligibility for benefits for
7 the program defined in paragraph (3)(A) (relat-
8 ing to the supplemental security income pro-
9 gram), paragraph (1) shall not apply to any in-
10 dividual—

11 “(i) who is an American Indian born
12 in Canada to whom the provisions of sec-
13 tion 289 of the Immigration and National-
14 ity Act (8 U.S.C. 1358) apply; or

15 “(ii) who is a member of an Indian
16 tribe (as defined in section 4(e) of the In-
17 dian Self-Determination and Education As-
18 sistance Act (25 U.S.C. 450b(e)).”.

19 (b) EXCEPTION FROM LIMITATION ON MEDICAID ELI-
20 GIBILITY.—Section 402(b)(2) of the Personal Responsibility
21 and Work Opportunity Reconciliation Act of 1996 (8
22 U.S.C. 1612(b)(2)) is amended—

23 (1) by redesignating subparagraph (D) and sub-
24 paragraph (E); and

1 (2) *by inserting after subparagraph (C) the fol-*
2 *lowing:*

3 “(D) *MEDICAID EXCEPTION FOR CERTAIN*
4 *INDIANS.—With respect to eligibility for benefits*
5 *for the program defined in paragraph (3)(A) (re-*
6 *lating to the medicaid program), paragraph (1)*
7 *shall not apply to any individual described in*
8 *subsection (a)(2)(D).”*

9 (c) *SSI AND MEDICAID EXCEPTIONS FROM LIMITA-*
10 *TION ON ELIGIBILITY OF NEW ENTRANTS.—Section 403(b)*
11 *of the Personal Responsibility and Work Opportunity Rec-*
12 *onciliation Act of 1996 (8 U.S.C. 1613(b)) is amended by*
13 *adding at the end the following:*

14 “(3) *SSI AND MEDICAID EXCEPTION FOR CER-*
15 *TAIN INDIANS.—An individual described in section*
16 *402(a)(2)(D), but only with respect to the programs*
17 *specified in subsections (a)(3)(A) and (b)(3)(C) of sec-*
18 *tion 402.”*

19 (d) *EFFECTIVE DATE.—*

20 (1) *SECTION 402.—The amendments made by*
21 *subsections (a) and (b) shall take effect as though they*
22 *had been included in the enactment of section 402 of*
23 *the Personal Responsibility and Work Opportunity*
24 *Reconciliation Act of 1996.*

1 (2) *SECTION 403.—The amendment made by*
2 *subsection (c) shall take effect as though they had been*
3 *included in the enactment of section 403 of the Per-*
4 *sonal Responsibility and Work Opportunity Rec-*
5 *onciliation Act of 1996.*

6 **SEC. 5814. SSI ELIGIBILITY FOR DISABLED LEGAL ALIENS**
7 **IN THE UNITED STATES ON AUGUST 22, 1996.**

8 Section 402(a)(2) of the Personal Responsibility and
9 Work Opportunity Reconciliation Act of 1996 (8 U.S.C.
10 1612(a)(2)) (as amended by section 5813) is amended by
11 adding at the end the following:

12 “(G) *DISABLED ALIENS LAWFULLY RESID-*
13 *ING IN THE UNITED STATES ON AUGUST 22,*
14 *1996.—With respect to eligibility for benefits for*
15 *the program defined in paragraph (3)(A) (relat-*
16 *ing to the supplemental security income pro-*
17 *gram), paragraph (1) shall not apply to an alien*
18 *who—*

19 “(i) *is lawfully residing in any State*
20 *on August 22, 1996; and*

21 “(ii) *is disabled, as defined in section*
22 *1614(a)(3) of the Social Security Act (42*
23 *U.S.C. 1382c(a)(3)).”.*

1 **SEC. 5815. EXEMPTION FROM RESTRICTION ON SUPPLE-**
2 **MENTAL SECURITY INCOME PROGRAM PAR-**
3 **TICIPATION BY CERTAIN RECIPIENTS ELIGI-**
4 **BLE ON THE BASIS OF VERY OLD APPLICA-**
5 **TIONS.**

6 *Section 402(a)(2) of the Personal Responsibility and*
7 *Work Opportunity Reconciliation Act of 1996 (8 U.S.C.*
8 *1612(a)(2)) (as amended by section 5814) is amended by*
9 *adding at the end the following:*

10 *“(H) SSI EXCEPTION FOR CERTAIN RECIPI-*
11 *ENTS ON THE BASIS OF VERY OLD APPLICA-*
12 *TIONS.—With respect to eligibility for benefits*
13 *for the program defined in paragraph (3)(A) (re-*
14 *lating to the supplemental security income pro-*
15 *gram), paragraph (1) shall not apply to any in-*
16 *dividual—*

17 *“(i) who is receiving benefits under*
18 *such program for months after July 1996*
19 *on the basis of an application filed before*
20 *January 1, 1979; and*

21 *“(ii) with respect to whom the Com-*
22 *missioner of Social Security lacks clear and*
23 *convincing evidence that such individual is*
24 *an alien ineligible for such benefits as a re-*
25 *sult of the application of this section.”.*

1 **SEC. 5816. REINSTATEMENT OF ELIGIBILITY FOR BENEFITS.**

2 (a) *FOOD STAMPS.*—*The Personal Responsibility and*
3 *Work Opportunity Reconciliation Act of 1996 is amended*
4 *by adding after section 435 the following new section:*

5 **“SEC. 436. DERIVATIVE ELIGIBILITY FOR BENEFITS.**

6 *Notwithstanding any other provision of law, an alien*
7 *who under the provisions of this title is ineligible for bene-*
8 *fits under the food stamp program (as defined in section*
9 *402(a)(3)(A)) shall not be eligible for such benefits because*
10 *the alien receives benefits under the supplemental security*
11 *income program (as defined in section 402(a)(3)(B)).”.*

12 (b) *MEDICAID.*—*Section 402(b)(2) of the Personal Re-*
13 *sponsibility and Work Opportunity Reconciliation Act of*
14 *1996 (8 U.S.C. 1612(b)(2)) is amended by adding at the*
15 *end the following:*

16 “(E) *MEDICAID EXCEPTION FOR ALIENS RE-*
17 *CEIVING SSI.*—*An alien who is receiving benefits*
18 *under the program defined in subsection*
19 *(a)(3)(A) (relating to the supplemental security*
20 *income program) shall be eligible for medical as-*
21 *sistance under a State plan under title XIX of*
22 *the Social Security Act (42 U.S.C. 1396 et seq.)*
23 *under the same terms and conditions that apply*
24 *to other recipients of benefits under the program*
25 *defined in such subsection.”.*

1 (c) *CLERICAL AMENDMENT.*—Section 2 of the Personal
2 *Responsibility and Work Opportunity Reconciliation Act*
3 *of 1996 is amended by adding after the item related to sec-*
4 *tion 435 the following:*

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

5 **SEC. 5817. EXEMPTION FOR CHILDREN WHO ARE LEGAL**
6 **ALIENS FROM 5-YEAR BAN ON MEDICAID ELI-**
7 **GIBILITY.**

8 Section 403 of the *Personal Responsibility and Work*
9 *Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613)*
10 *is amended by adding at the end the following:*

11 “(e) *MEDICAID ELIGIBILITY EXEMPTION FOR CHIL-*
12 *DREN.*—*The limitation under subsection (a) shall not apply*
13 *to any alien who has not attained age 19 and is lawfully*
14 *residing in any State, but only with respect to such alien’s*
15 *eligibility for medical assistance under a State plan under*
16 *title XIX of the Social Security Act (42 U.S.C. 1396 et*
17 *seq.).”.*

18 **SEC. 5818. TREATMENT OF CERTAIN AMERASIAN IMMI-**
19 **GRANTS AS REFUGEES.**

20 (a) *AMENDMENTS TO EXCEPTIONS FOR REFUGEES/*
21 *ASYLEES.*—

22 (1) *FOR PURPOSES OF SSI AND FOOD STAMPS.*—
23 Section 402(a)(2)(A) of the *Personal Responsibility*
24 *and Work Opportunity Reconciliation Act of 1996 (8*
25 *U.S.C. 1612(a)(2)(A)) is amended—*

1 (A) by striking “; or” at the end of clause
2 (ii);

3 (B) by striking the period at the end of
4 clause (iii) and inserting “; or”; and

5 (C) by adding at the end the following:

6 “(iv) an alien who is admitted to the
7 United States as an Amerasian immigrant
8 pursuant to section 584 of the Foreign Op-
9 erations, Export Financing, and Related
10 Programs Appropriations Act, 1988 (as
11 contained in section 101(e) of Public Law
12 100–202 and amended by the 9th proviso
13 under MIGRATION AND REFUGEE ASSIST-
14 ANCE in title II of the Foreign Operations,
15 Export Financing, and Related Programs
16 Appropriations Act, 1989, Public Law 100–
17 461, as amended).”.

18 (2) FOR PURPOSES OF TANF, SSBG, AND MEDIC-
19 AID.—Section 402(b)(2)(A) of the Personal Respon-
20 sibility and Work Opportunity Reconciliation Act of
21 1996 (8 U.S.C. 1612(a)(2)(A)) is amended—

22 (A) by striking “; or” at the end of clause
23 (ii);

24 (B) by striking the period at the end of
25 clause (iii) and inserting “; or”; and

1 (C) by adding at the end the following:

2 “(iv) an alien described in subsection
3 (a)(2)(A)(iv) until 5 years after the date of
4 such alien’s entry into the United States.”.

5 (3) *FOR PURPOSES OF EXCEPTION FROM 5-YEAR*
6 *LIMITED ELIGIBILITY OF QUALIFIED ALIENS.*—Section
7 403(b)(1) of the *Personal Responsibility and Work*
8 *Opportunity Reconciliation Act of 1996* (8 U.S.C.
9 1613(b)(1)) is amended by adding at the end the fol-
10 *lowing:*

11 “(D) An alien described in section
12 402(a)(2)(A)(iv).”.

13 (4) *FOR PURPOSES OF CERTAIN STATE PRO-*
14 *GRAMS.*—Section 412(b)(1) of the *Personal Respon-*
15 *sibility and Work Opportunity Reconciliation Act of*
16 *1996* (8 U.S.C. 1622(b)(1)) is amended by adding at
17 *the end the following new subparagraph:*

18 “(D) An alien described in section
19 402(a)(2)(A)(iv).”.

20 (b) *FUNDING.*—

21 (1) *LEVY OF FEE.*—The Attorney General
22 through the *Immigration and Naturalization Service*
23 shall levy a \$100 processing fee upon each alien that
24 the Service determines—

1 1612(a)(2)), as amended by section 5815, is amended by
2 adding at the end the following:

3 “(I) SSI EXCEPTION FOR SEVERELY DIS-
4 ABLED ALIENS.—With respect to eligibility for
5 benefits for the program defined in paragraph
6 (3)(A) (relating to the supplemental security in-
7 come program), paragraph (1), and the Septem-
8 ber 30, 1997 application deadline under sub-
9 paragraph (G), shall not apply to any alien who
10 is lawfully present in the United States and who
11 has been denied approval of an application for
12 naturalization by the Attorney General solely on
13 the ground that the alien is so severely disabled
14 that the alien is otherwise unable to satisfy the
15 requirements for naturalization.”.

16 **SEC. 5820. EFFECTIVE DATE.**

17 *The amendments made by this chapter shall take effect*
18 *as if they were included in the enactment of title IV of the*
19 *Personal Responsibility and Work Opportunity Reconcili-*
20 *ation Act of 1996 (Public Law 104–193; 110 Stat. 2260).*

7 **CHAPTER 3—MISCELLANEOUS**

8 **SEC. 5871. SENSE OF THE SENATE REGARDING THE COR-**
9 **RECTION OF COST-OF-LIVING ADJUSTMENTS.**

10 (a) *FINDINGS.*—*The Senate makes the following find-*
11 *ings:*

12 (1) *The final report of the Senate Finance Com-*
13 *mittee's Advisory Commission to Study the Consumer*
14 *Price Index, chaired by Professor Michael Boskin, has*
15 *concluded that the Consumer Price Index overstates*
16 *the cost of living in the United States by 1.1 percent-*
17 *age points.*

18 (2) *Dr. Alan Greenspan, Chairman of the Board*
19 *of Governors of the Federal Reserve System, has testi-*
20 *fied before the Senate Finance Committee that "the*
21 *best available evidence suggests that there is virtually*
22 *no chance that the CPI as currently published under-*
23 *states" the cost of living and that there is "a very*
24 *high probability that the upward bias ranges between*

1 $\frac{1}{2}$ percentage point per year and $1\frac{1}{2}$ percentage
2 points per year”.

3 (3) *The overstatement of the cost of living by the*
4 *Consumer Price Index has been recognized by econo-*
5 *mists since at least 1961, when a report noting the*
6 *existence of the overstatement was issued by a Na-*
7 *tional Bureau of Economic Research Committee,*
8 *chaired by Professor George J. Stigler.*

9 (4) *Congress and the President, through the in-*
10 *dexing of Federal tax brackets, Social Security bene-*
11 *fits, and other Federal program benefits, have under-*
12 *taken to protect taxpayers and beneficiaries of such*
13 *programs from the erosion of purchasing power due*
14 *to inflation.*

15 (5) *Congress and the President intended the in-*
16 *dexing of Federal tax brackets, Social Security bene-*
17 *fits, and other Federal program benefits to accurately*
18 *reflect changes in the cost of living.*

19 (6) *The overstatement of the cost of living in-*
20 *creases the deficit and undermines the equitable ad-*
21 *ministration of Federal benefits and tax policies.*

22 (b) *SENSE OF THE SENATE.—It is the sense of the Sen-*
23 *ate that all cost-of-living adjustments required by statute*
24 *should accurately reflect the best available estimate of*
25 *changes in the cost of living.*

1 **Subtitle M—Welfare Reform**
 2 **Technical Corrections**

3 **SEC. 5900. SHORT TITLE OF SUBTITLE.**

4 *This subtitle may be cited as the “Welfare Reform*
 5 *Technical Corrections Act of 1997”.*

7 **CHAPTER 2—SUPPLEMENTAL SECURITY**
 8 **INCOME**

9 **SEC. 5921. CONFORMING AND TECHNICAL AMENDMENTS**
 10 **RELATING TO ELIGIBILITY RESTRICTIONS.**

11 (a) *DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS*
 12 *AND PROBATION AND PAROLE VIOLATORS.—Section*
 13 *1611(e)(6) (42 U.S.C. 1382(e)(6)) is amended by inserting*
 14 *“and section 1106(c) of this Act” after “of 1986”.*

15 (b) *TREATMENT OF PRISONERS.—Section*
 16 *1611(e)(1)(I)(i)(II) (42 U.S.C. 1382(e)(1)(I)(i)(II)) is*
 17 *amended by striking “inmate of the institution” and all*
 18 *that follows through “this subparagraph” and inserting*
 19 *“individual who receives in the month preceding the first*
 20 *month throughout which such individual is an inmate of*
 21 *the jail, prison, penal institution, or correctional facility*
 22 *that furnishes information respecting such individual pur-*
 23 *suant to subclause (I), or is confined in the institution (that*
 24 *so furnishes such information) as described in section*
 25 *202(x)(1)(A)(ii), a benefit under this title for such preced-*

1 *ing month, and who is determined by the Commissioner to*
 2 *be ineligible for benefits under this title by reason of con-*
 3 *finement based on the information provided by such institu-*
 4 *tion”.*

5 (c) *CORRECTION OF REFERENCE.*—Section
 6 1611(e)(1)(I)(i)(I) (42 U.S.C. 1382(e)(1)(I)(i)(I)) is
 7 amended by striking “paragraph (1)” and inserting “this
 8 paragraph”.

9 **SEC. 5922. CONFORMING AND TECHNICAL AMENDMENTS**
 10 **RELATING TO BENEFITS FOR DISABLED CHIL-**
 11 **DREN.**

12 (a) *ELIGIBILITY REDETERMINATIONS FOR CURRENT*
 13 *RECIPIENTS.*—Section 211(d)(2)(A) of the Personal Re-
 14 sponsibility and Work Opportunity Reconciliation Act of
 15 1996 (42 U.S.C. 1382c note) is amended by striking “1
 16 year” and inserting “18 months”.

17 (b) *ELIGIBILITY REDETERMINATIONS AND CONTINU-*
 18 *ING DISABILITY REVIEWS.*—

19 (1) *DISABILITY ELIGIBILITY REDETERMINATIONS*
 20 *REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18*
 21 *YEARS OF AGE.*—Section 1614(a)(3)(H)(iii) (42
 22 U.S.C. 1382c(a)(3)(H)(iii)) is amended by striking
 23 subclauses (I) and (II) and all that follows and in-
 24 serting the following:

1 “(I) by applying the criteria used in determin-
2 ing initial eligibility for individuals who are age 18
3 or older; and

4 “(II) either during the 1-year period beginning
5 on the individual’s 18th birthday or, in lieu of a con-
6 tinuing disability review, whenever the Commissioner
7 determines that an individual’s case is subject to a re-
8 determination under this clause.

9 With respect to any redetermination under this clause,
10 paragraph (4) shall not apply.”.

11 (2) CONTINUING DISABILITY REVIEW REQUIRED
12 FOR LOW BIRTH WEIGHT BABIES.—Section
13 1614(a)(3)(H)(iv) (42 U.S.C. 1382c(a)(3)(H)(iv)) is
14 amended—

15 (A) in subclause (I), by striking “Not” and
16 inserting “Except as provided in subclause (VI),
17 not”; and

18 (B) by adding at the end the following:

19 “(VI) Subclause (I) shall not apply in the case of an
20 individual described in that subclause who, at the time of
21 the individual’s initial disability determination, the Com-
22 missioner determines has an impairment that is not ex-
23 pected to improve within 12 months after the birth of that
24 individual, and who the Commissioner schedules for a con-

1 *tinuing disability review at a date that is after the individ-*
2 *ual attains 1 year of age.”.*

3 (c) *ADDITIONAL ACCOUNTABILITY REQUIREMENTS.—*
4 *Section 1631(a)(2)(F) (42 U.S.C. 1383(a)(2)(F)) is amend-*
5 *ed—*

6 (1) *in clause (ii)(III)(bb), by striking “the total*
7 *amount” and all that follows through “1613(c)” and*
8 *inserting “in any case in which the individual know-*
9 *ingly misapplies benefits from such an account, the*
10 *Commissioner shall reduce future benefits payable to*
11 *such individual (or to such individual and his*
12 *spouse) by an amount equal to the total amount of*
13 *such benefits so misapplied”; and*

14 (2) *by striking clause (iii) and inserting the fol-*
15 *lowing:*

16 *“(iii) The representative payee may deposit into the*
17 *account established under clause (i) any other funds rep-*
18 *resenting past due benefits under this title to the eligible*
19 *individual, provided that the amount of such past due bene-*
20 *fits is equal to or exceeds the maximum monthly benefit*
21 *payable under this title to an eligible individual (including*
22 *State supplementary payments made by the Commissioner*
23 *pursuant to an agreement under section 1616 or section*
24 *212(b) of Public Law 93–66).”.*

1 (d) *REDUCTION IN CASH BENEFITS PAYABLE TO IN-*
2 *STITUTIONALIZED INDIVIDUALS WHOSE MEDICAL COSTS*
3 *ARE COVERED BY PRIVATE INSURANCE.*—Section 1611(e)
4 (42 U.S.C. 1382(e)) is amended—

5 (1) in paragraph (1)(B)—

6 (A) in the matter preceding clause (i), by
7 striking “hospital, extended care facility, nursing
8 home, or intermediate care facility” and insert-
9 ing “medical treatment facility”;

10 (B) in clause (ii)—

11 (i) in the matter preceding subclause
12 (I), by striking “hospital, home or”; and

13 (ii) in subclause (I), by striking “hos-
14 pital, home, or”;

15 (C) in clause (iii), by striking “hospital,
16 home, or”; and

17 (D) in the matter following clause (iii), by
18 striking “hospital, extended care facility, nursing
19 home, or intermediate care facility which is a
20 ‘medical institution or nursing facility’ within
21 the meaning of section 1917(c)” and inserting
22 “medical treatment facility that provides services
23 described in section 1917(c)(1)(C)”;

24 (2) in paragraph (1)(E)—

1 (A) in clause (i)(II), by striking “hospital,
2 extended care facility, nursing home, or inter-
3 mediate care facility” and inserting “medical
4 treatment facility”; and

5 (B) in clause (iii), by striking “hospital, ex-
6 tended care facility, nursing home, or intermedi-
7 ate care facility” and inserting “medical treat-
8 ment facility”;

9 (3) in paragraph (1)(G), in the matter preceding
10 clause (i)—

11 (A) by striking “or which is a hospital, ex-
12 tended care facility, nursing home, or intermedi-
13 ate care” and inserting “or is in a medical
14 treatment”; and

15 (B) by inserting “or, in the case of an indi-
16 vidual who is a child under the age of 18, under
17 any health insurance policy issued by a private
18 provider of such insurance” after “title XIX”;
19 and

20 (4) in paragraph (3)—

21 (A) by striking “same hospital, home, or fa-
22 cility” and inserting “same medical treatment
23 facility”; and

24 (B) by striking “same such hospital, home,
25 or facility” and inserting “same such facility”.

1 **SEC. 5925. EFFECTIVE DATES.**

2 (a) *IN GENERAL.*—*Except as provided in subsection*
 3 *(b), the amendments made by this part shall take effect as*
 4 *if included in the enactment of title II of the Personal Re-*
 5 *sponsibility and Work Opportunity Reconciliation Act of*
 6 *1996 (Public Law 104–193; 110 Stat. 2185).*

7 (b) *EXCEPTION.*—*The amendments made by section*
 8 *5925 shall take effect as if included in the enactment of*
 9 *the Social Security Independence and Program Improve-*
 10 *ments Act of 1994 (Public Law 103–296; 108 Stat. 1464).*

11 **CHAPTER 3—CHILD SUPPORT**

1 **SEC. 5940. COLLECTION AND USE OF SOCIAL SECURITY**
 2 **NUMBERS FOR USE IN CHILD SUPPORT EN-**
 3 **FORCEMENT.**

4 *Section 466(a)(13) (42 U.S.C. 666(a)(13)) is amend-*
 5 *ed—*

6 (1) *in subparagraph (A)—*

7 (A) *by striking “commercial”; and*

8 (B) *by inserting “recreational license,” after*
 9 *“occupational license,”; and*

10 (2) *in the matter following subparagraph (C), by*
 11 *inserting “to be used on the face of the document*
 12 *while the social security number is kept on file at the*
 13 *agency” after “other than the social security num-*
 14 *ber”.*

1 **CHAPTER 4—RESTRICTING WELFARE AND**
2 **PUBLIC BENEFITS FOR ALIENS**

3 **Subchapter A—Eligibility for Federal Benefits**

4 **SEC. 5965. ALIEN ELIGIBILITY FOR FEDERAL BENEFITS:**
5 **LIMITED APPLICATION TO MEDICARE AND**
6 **BENEFITS UNDER THE RAILROAD RETIRE-**
7 **MENT ACT.**

8 (a) *LIMITED APPLICATION TO MEDICARE.*—Section
9 401(b) of the Personal Responsibility and Work Oppor-
10 tunity Reconciliation Act of 1996 (8 U.S.C. 1611(b)) is
11 amended by adding at the end the following:

12 “(3) Subsection (a) shall not apply to any bene-
13 fit payable under title XVIII of the Social Security
14 Act (relating to the medicare program) to an alien
15 who is lawfully present in the United States as deter-
16 mined by the Attorney General and, with respect to
17 benefits payable under part A of such title, who was
18 authorized to be employed with respect to any wages
19 attributable to employment which are counted for
20 purposes of eligibility for such benefits.”.

21 (b) *LIMITED APPLICATION TO BENEFITS UNDER THE*
22 *RAILROAD RETIREMENT ACT.*—Section 401(b) of the Per-
23 sonal Responsibility and Work Opportunity Reconciliation
24 Act of 1996 (8 U.S.C. 1611(b)) (as amended by subsection
25 (a)) is amended by inserting at the end the following:

1 “(4) Subsection (a) shall not apply to any bene-
2 fit payable under the Railroad Retirement Act of
3 1974 or the Railroad Unemployment Insurance Act to
4 an alien who is lawfully present in the United States
5 as determined by the Attorney General or to an alien
6 residing outside the United States.”.

7 **SEC. 5966. EXCEPTIONS TO BENEFIT LIMITATIONS: COR-**
8 **RECTIONS TO REFERENCE CONCERNING**
9 **ALIENS WHOSE DEPORTATION IS WITHHELD.**

10 Sections 402(a)(2)(A)(i)(III), 402(a)(2)(A)(ii)(III),
11 402(b)(2)(A)(iii), 403(b)(1)(C), 412(b)(1)(C), and 431(b)(5)
12 of the Personal Responsibility and Work Opportunity Rec-
13 onciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A)(iii),
14 1612(b)(2)(A)(iii), 1613(b)(1)(C), 1622(b)(1)(C), and
15 1641(b)(5)) are each amended by striking “section 243(h)
16 of such Act” each place it appears and inserting “section
17 243(h) of such Act (as in effect immediately before the effec-
18 tive date of section 307 of division C of Public Law 104–
19 208) or section 241(b)(3) of such Act (as amended by section
20 305(a) of division C of Public Law 104–208)”.

1 **SEC. 5967. VETERANS EXCEPTION: APPLICATION OF MINI-**
2 **MUM ACTIVE DUTY SERVICE REQUIREMENT;**
3 **EXTENSION TO UNREARRIED SURVIVING**
4 **SPOUSE; EXPANDED DEFINITION OF VET-**
5 **ERAN.**

6 (a) *APPLICATION OF MINIMUM ACTIVE DUTY SERVICE*
7 *REQUIREMENT.*—Sections 402(a)(2)(C)(i), 402(b)(2)(C)(i),
8 403(b)(2)(A), and 412(b)(3)(A) of the *Personal Responsibility and Work Opportunity Reconciliation Act of 1996* (8
9 U.S.C. 1612(a)(2)(C)(i), 1612(b)(2)(C)(i), 1613(b)(2)(A),
10 and 1622(b)(3)(A)) are each amended by inserting “and
11 who fulfills the minimum active-duty service requirements
12 of section 5303A(d) of title 38, United States Code” after
13 “alienage”.

14 (b) *EXCEPTION APPLICABLE TO UNREARRIED SUR-*
15 *VIVING SPOUSE.*—Section 402(a)(2)(C)(iii),
16 402(b)(2)(C)(iii), 403(b)(2)(C), and 412(b)(3)(C) of the
17 *Personal Responsibility and Work Opportunity Reconcili-*
18 *ation Act of 1996* (8 U.S.C. 1612(a)(2)(C)(iii),
19 1612(b)(2)(C)(iii), 1613(b)(2)(C), and 1622(b)(3)(C)) are
20 each amended by inserting before the period “or the
21 unremarried surviving spouse of an individual described in
22 clause (i) or (ii) who is deceased if the marriage fulfills
23 the requirements of section 1304 of title 38, United States
24 Code”.

1 (c) *EXPANDED DEFINITION OF VETERAN.*—Sections
2 402(a)(2)(C)(i), 402(b)(2)(C)(i), 403(b)(2)(A), and
3 412(b)(3)(A) of the Personal Responsibility and Work Op-
4 portunity Reconciliation Act of 1996 (8 U.S.C.
5 1612(a)(2)(C)(i), 1612(b)(2)(C)(i), 1613(b)(2)(A), and
6 1622(b)(3)(A)) are each amended by inserting “, 1101, or
7 1301, or as described in section 107” after “section 101”.

8 **SEC. 5968. CORRECTION OF REFERENCE CONCERNING**
9 **CUBAN AND HAITIAN ENTRANTS.**

10 Section 403(d) of the Personal Responsibility and
11 Work Opportunity Reconciliation Act of 1996 (8 U.S.C.
12 1613(d)) is amended—

13 (1) by striking “section 501 of the Refugee” and
14 insert “section 501(a) of the Refugee”; and

15 (2) by striking “section 501(e)(2)” and inserting
16 “section 501(e)”.

17 **SEC. 5969. NOTIFICATION CONCERNING ALIENS NOT LAW-**
18 **FULLY PRESENT: CORRECTION OF TERMINOL-**
19 **OGY.**

20 Section 1631(e)(9) of the Social Security Act (42
21 U.S.C. 1383(e)(9)) and section 27 of the United States
22 Housing Act of 1937, as added by section 404 of the Per-
23 sonal Responsibility and Work Opportunity Reconciliation
24 Act of 1996, are each amended by striking “unlawfully in

1 *the United States” each place it appears and inserting “not*
2 *lawfully present in the United States”.*

3 **SEC. 5970. FREELY ASSOCIATED STATES: CONTRACTS AND**
4 **LICENSES.**

5 *Sections 401(c)(2)(A) and 411(c)(2)(A) of the Personal*
6 *Responsibility and Work Opportunity Reconciliation Act*
7 *of 1996 (8 U.S.C. 1611(c)(2)(A) and 1621(c)(2)(A)) are*
8 *each amended by inserting before the semicolon at the end*
9 *“; or to a citizen of a freely associated state, if section 141*
10 *of the applicable compact of free association approved in*
11 *Public Law 99–239 or 99–658 (or a successor provision)*
12 *is in effect”.*

13 **SEC. 5971. CONGRESSIONAL STATEMENT REGARDING BENE-**
14 **FITS FOR HMONG AND OTHER HIGHLAND LAO**
15 **VETERANS.**

16 (a) *FINDINGS.—The Congress makes the following*
17 *findings:*

18 (1) *Hmong and other Highland Lao tribal peo-*
19 *ples were recruited, armed, trained, and funded for*
20 *military operations by the United States Department*
21 *of Defense, Central Intelligence Agency, Department*
22 *of State, and Agency for International Development*
23 *to further United States national security interests*
24 *during the Vietnam conflict.*

1 (2) *Hmong and other Highland Lao tribal forces*
2 *sacrificed their own lives and saved the lives of Amer-*
3 *ican military personnel by rescuing downed Amer-*
4 *ican pilots and aircrews and by engaging and suc-*
5 *cessfully fighting North Vietnamese troops.*

6 (3) *Thousands of Hmong and other Highland*
7 *Lao veterans who fought in special guerilla units on*
8 *behalf of the United States during the Vietnam con-*
9 *flict, along with their families, have been lawfully ad-*
10 *mitted to the United States in recent years.*

11 (4) *The Personal Responsibility and Work Op-*
12 *portunity Reconciliation Act of 1996 (Public Law*
13 *104–193), the new national welfare reform law, re-*
14 *stricts certain welfare benefits for noncitizens of the*
15 *United States and the exceptions for noncitizen veter-*
16 *ans of the Armed Forces of the United States do not*
17 *extend to Hmong veterans of the Vietnam conflict era,*
18 *making Hmong veterans and their families receiving*
19 *certain welfare benefits subject to restrictions despite*
20 *their military service on behalf of the United States.*

21 (b) *CONGRESSIONAL STATEMENT.—It is the sense of*
22 *the Congress that Hmong and other Highland Lao veterans*
23 *who fought on behalf of the Armed Forces of the United*
24 *States during the Vietnam conflict and have lawfully been*
25 *admitted to the United States for permanent residence*

1 *should be considered veterans for purposes of continuing*
2 *certain welfare benefits consistent with the exceptions pro-*
3 *vided other noncitizen veterans under the Personal Respon-*
4 *sibility and Work Opportunity Reconciliation Act of 1996.*

5 ***Subchapter B—General Provisions***

6 ***SEC. 5972. DETERMINATION OF TREATMENT OF BATTERED***
7 ***ALIENS AS QUALIFIED ALIENS; INCLUSION OF***
8 ***ALIEN CHILD OF BATTERED PARENT AS***
9 ***QUALIFIED ALIEN.***

10 (a) *DETERMINATION OF STATUS BY AGENCY PROVID-*
11 *ING BENEFITS.*—*Section 431 of the Personal Responsibility*
12 *and Work Opportunity Reconciliation Act of 1996 (8*
13 *U.S.C. 1641) is amended in subsections (c)(1)(A) and*
14 *(c)(2)(A) by striking “Attorney General, which opinion is*
15 *not subject to review by any court)” each place it appears*
16 *and inserting “agency providing such benefits)”.*

17 (b) *GUIDANCE ISSUED BY ATTORNEY GENERAL.*—*Sec-*
18 *tion 431(c) of the Personal Responsibility and Work Oppor-*
19 *tunity Reconciliation Act of 1996 (8 U.S.C. 1641(c)) is*
20 *amended by adding at the end the following new undesig-*
21 *nated paragraph:*

22 *“After consultation with the Secretaries of Health and*
23 *Human Services, Agriculture, and Housing and Urban De-*
24 *velopment, the Commissioner of Social Security, and with*
25 *the heads of such Federal agencies administering benefits*

1 *as the Attorney General considers appropriate, the Attorney*
2 *General shall issue guidance (in the Attorney General's sole*
3 *and unreviewable discretion) for purposes of this subsection*
4 *and section 421(f), concerning the meaning of the terms*
5 *'battery' and 'extreme cruelty', and the standards and meth-*
6 *ods to be used for determining whether a substantial connec-*
7 *tion exists between battery or cruelty suffered and an indi-*
8 *vidual's need for benefits under a specific Federal, State,*
9 *or local program."*

10 (c) *INCLUSION OF ALIEN CHILD OF BATTERED PAR-*
11 *ENT AS QUALIFIED ALIEN.*—Section 431(c) of the *Personal*
12 *Responsibility and Work Opportunity Reconciliation Act*
13 *of 1996 (8 U.S.C. 1641(c)) is amended—*

14 (1) *at the end of paragraph (1)(B)(iv) by strik-*
15 *ing "or";*

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

18 (3) *by inserting after paragraph (2)(B) and be-*
19 *fore the last sentence of such subsection the following*
20 *new paragraph:*

21 *"(3) an alien child who—*

22 *"(A) resides in the same household as a par-*
23 *ent who has been battered or subjected to extreme*
24 *cruelty in the United States by that parent's*
25 *spouse or by a member of the spouse's family re-*

1 *siding in the same household as the parent and*
2 *the spouse consented or acquiesced to such bat-*
3 *tery or cruelty, but only if (in the opinion of the*
4 *agency providing such benefits) there is a sub-*
5 *stantial connection between such battery or cru-*
6 *elty and the need for the benefits to be provided;*
7 *and*

8 *“(B) who meets the requirement of subpara-*
9 *graph (B) of paragraph (1).”*

10 *(d) INCLUSION OF ALIEN CHILD OF BATTERED PAR-*
11 *ENT UNDER SPECIAL RULE FOR ATTRIBUTION OF IN-*
12 *COME.—Section 421(f)(1)(A) of the Personal Responsibility*
13 *and Work Opportunity Reconciliation Act of 1996 (8*
14 *U.S.C. 1631(f)(1)(A)) is amended—*

15 *(1) at the end of clause (i) by striking “or”; and*
16 *(2) by striking “and the battery or cruelty de-*
17 *scribed in clause (i) or (ii)” and inserting “or (iii)*
18 *the alien is a child whose parent (who resides in the*
19 *same household as the alien child) has been battered*
20 *or subjected to extreme cruelty in the United States*
21 *by that parent’s spouse, or by a member of the*
22 *spouse’s family residing in the same household as the*
23 *parent and the spouse consented to, or acquiesced in,*
24 *such battery or cruelty, and the battery or cruelty de-*
25 *scribed in clause (i), (ii), or (iii).”*

1 **SEC. 5973. VERIFICATION OF ELIGIBILITY FOR BENEFITS.**

2 (a) *REGULATIONS AND GUIDANCE.*—Section 432(a) of
3 the *Personal Responsibility and Work Opportunity Rec-*
4 *onciliation Act of 1996* (8 U.S.C. 1642(a)) is amended—

5 (1) by inserting at the end of paragraph (1) the
6 following: “Not later than 90 days after the date of
7 the enactment of the *Welfare Reform Technical Cor-*
8 *rections Act of 1997*, the Attorney General of the
9 *United States*, after consultation with the Secretary of
10 *Health and Human Services*, shall issue interim ver-
11 *ification guidance.*”; and

12 (2) by adding after paragraph (2) the following
13 new paragraph:

14 “(3) Not later than 90 days after the date of the enact-
15 ment of the *Welfare Reform Technical Corrections Act of*
16 *1997*, the Attorney General shall promulgate regulations
17 which set forth the procedures by which a State or local
18 government can verify whether an alien applying for a
19 State or local public benefit is a qualified alien, a non-
20 immigrant under the *Immigration and Nationality Act*, or
21 an alien paroled into the United States under section
22 212(d)(5) of the *Immigration and Nationality Act* for less
23 than 1 year, for purposes of determining whether the alien
24 is ineligible for benefits under section 411 of this Act.”.

25 (b) *DISCLOSURE OF INFORMATION FOR VERIFICA-*
26 *TION.*—Section 384(b) of the *Illegal Immigration Reform*

1 *and Immigrant Responsibility Act of 1996 (division C of*
2 *Public Law 104–208) is amended by adding after para-*
3 *graph (4) the following new paragraph:*

4 “(5) *The Attorney General is authorized to dis-*
5 *close information, to Federal, State, and local public*
6 *and private agencies providing benefits, to be used*
7 *solely in making determinations of eligibility for ben-*
8 *efits pursuant to section 431(c) of the Personal Re-*
9 *sponsibility and Work Opportunity Reconciliation*
10 *Act of 1996.”.*

11 **SEC. 5974. QUALIFYING QUARTERS: DISCLOSURE OF QUAR-**
12 **TERS OF COVERAGE INFORMATION; CORREC-**
13 **TION TO ASSURE THAT CREDITING APPLIES**
14 **TO ALL QUARTERS EARNED BY PARENTS BE-**
15 **FORE CHILD IS 18.**

16 (a) *DISCLOSURE OF QUARTERS OF COVERAGE INFOR-*
17 *MATION.—Section 435 of the Personal Responsibility and*
18 *Work Opportunity Reconciliation Act of 1996 (8 U.S.C.*
19 *1645) is amended by adding at the end the following: “Not-*
20 *withstanding section 6103 of the Internal Revenue Code of*
21 *1986, the Commissioner of Social Security is authorized to*
22 *disclose quarters of coverage information concerning an*
23 *alien and an alien’s spouse or parents to a government*
24 *agency for the purposes of this title.”.*

1 **(b) CORRECTION TO ASSURE THAT CREDITING AP-**
2 **PLIES TO ALL QUARTERS EARNED BY PARENTS BEFORE**
3 **CHILD IS 18.**—Section 435(1) of the Personal Responsibility
4 *and Work Opportunity Reconciliation Act of 1996 (8*
5 *U.S.C. 1645(1)) is amended by striking “while the alien*
6 *was under age 18,” and inserting “before the date on which*
7 *the alien attains age 18,”.*

8 **SEC. 5975. STATUTORY CONSTRUCTION: BENEFIT ELIGI-**
9 **BILITY LIMITATIONS APPLICABLE ONLY WITH**
10 **RESPECT TO ALIENS PRESENT IN THE UNIT-**
11 **ED STATES.**

12 Section 433 of the Personal Responsibility and Work
13 *Opportunity Reconciliation Act of 1996 (8 U.S.C. 1643)*
14 *is amended—*

15 (1) *by redesignated subsections (b) and (c) as*
16 *subsections (c) and (d); and*

17 (2) *by adding after subsection (a) the following*
18 *new subsection:*

19 **“(b) BENEFIT ELIGIBILITY LIMITATIONS APPLICABLE**
20 **ONLY WITH RESPECT TO ALIENS PRESENT IN THE UNITED**
21 **STATES.**—*Notwithstanding any other provision of this title,*
22 *the limitations on eligibility for benefits under this title*
23 *shall not apply to eligibility for benefits of aliens who are*
24 *not residing, or present, in the United States with respect*
25 *to—*

1 “(1) wages, pensions, annuities, and other
2 earned payments to which an alien is entitled result-
3 ing from employment by, or on behalf of, a Federal,
4 State, or local government agency which was not pro-
5 hibited during the period of such employment or serv-
6 ice under section 274A or other applicable provision
7 of the Immigration and Nationality Act; or

8 “(2) benefits under laws administered by the
9 Secretary of Veterans Affairs.”.

10 **Subchapter C—Miscellaneous Clerical and**
11 **Technical Amendments; Effective Date**

12 **SEC. 5976. CORRECTING MISCELLANEOUS CLERICAL AND**
13 **TECHNICAL ERRORS.**

14 (a) *INFORMATION REPORTING UNDER TITLE IV OF*
15 *THE SOCIAL SECURITY ACT.*—Effective July 1, 1997, sec-
16 tion 408 of the Social Security Act (42 U.S.C. 608), as
17 amended by section 5903, and as in effect pursuant to sec-
18 tion 116 of the Personal Responsibility and Work Oppor-
19 tunity Reconciliation Act of 1996, and as amended by sec-
20 tion 5906(e) of this Act, is amended by adding at the end
21 the following new subsection:

22 “(f) *STATE REQUIRED TO PROVIDE CERTAIN INFOR-*
23 *MATION.*—Each State to which a grant is made under sec-
24 tion 403 shall, at least 4 times annually and upon request
25 of the Immigration and Naturalization Service, furnish the

1 *Immigration and Naturalization Service with the name*
2 *and address of, and other identifying information on, any*
3 *individual who the State knows is not lawfully present in*
4 *the United States.”.*

5 (b) *MISCELLANEOUS CLERICAL AND TECHNICAL COR-*
6 *RECTIONS.—*

7 (1) *Section 411(c)(3) of the Personal Respon-*
8 *sibility and Work Opportunity Reconciliation Act of*
9 *1996 (8 U.S.C. 1621(c)(3)) is amended by striking*
10 *“4001(c)” and inserting “401(c)”.*

11 (2) *Section 422(a) of the Personal Responsibility*
12 *and Work Opportunity Reconciliation Act of 1996 (8*
13 *U.S.C. 1632(a)) is amended by striking “benefits (as*
14 *defined in section 412(c)),” and inserting “benefits,”.*

15 (3) *Section 412(b)(1)(C) of the Personal Respon-*
16 *sibility and Work Opportunity Reconciliation Act of*
17 *1996 (8 U.S.C. 1622(b)(1)(C)) is amended by striking*
18 *“with-holding” and inserting “withholding”.*

19 (4) *The subtitle heading for subtitle D of title IV*
20 *of the Personal Responsibility and Work Opportunity*
21 *Reconciliation Act of 1996 is amended to read as fol-*
22 *lows:*

23 **“Subtitle D—General Provisions”.**

24 (5) *The subtitle heading for subtitle F of title IV*
25 *of the Personal Responsibility and Work Opportunity*

1 *Reconciliation Act of 1996 is amended to read as fol-*
2 *lows:*

3 ***“Subtitle F—Earned Income Credit***
4 ***Denied to Unauthorized Employ-***
5 ***ees”.***

6 (6) *Section 431(c)(2)(B) of the Personal Respon-*
7 *sibility and Work Opportunity Reconciliation Act of*
8 *1996 (8 U.S.C. 1641(c)(2)(B)) is amended by striking*
9 *“clause (ii) of subparagraph (A)” and inserting “sub-*
10 *paragraph (B) of paragraph (1)”.*

11 (7) *Section 431(c)(1)(B) of the Personal Respon-*
12 *sibility and Work Opportunity Reconciliation Act of*
13 *1996 (8 U.S.C. 1641(c)(1)(B)) is amended—*

14 (A) *in clause (iii) by striking “, or” and*
15 *inserting “(as in effect prior to April 1, 1997),”;*
16 *and*

17 (B) *by adding after clause (iv) the following*
18 *new clause:*

19 *“(v) cancellation of removal pursuant*
20 *to section 240A(b)(2) of such Act;”.*

21 ***SEC. 5977. EFFECTIVE DATE.***

22 *Except as otherwise provided, the amendments made*
23 *by this chapter shall be effective as if included in the enact-*
24 *ment of title IV of the Personal Responsibility and Work*
25 *Opportunity Reconciliation Act of 1996.*