

Behu  
Bartz  
Hammond

SSB-3098  
Human Resources  
Succeeded By  
SF/HF 2195

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
HUMAN SERVICES BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the healthy and well kids in Iowa program.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 514I.4, subsection 4, Code 1999, is  
2 amended to read as follows:

3 4. The department shall do or shall provide for all of the  
4 following:

5 a. Develop a program application form not to exceed two  
6 pages in length, which is consistent with the rules of the  
7 board, which is easy to understand, complete, and concise, and  
8 which, to the greatest extent possible, coordinates with the  
9 medical assistance program.

10 b. Establish the family cost sharing ~~amount, based on a~~  
11 ~~sliding fee scale, if established by~~ amounts with the approval  
12 of the board.

13 c. Perform periodic, random reviews of enrollee  
14 applications to ensure compliance with program eligibility and  
15 enrollment policies. Quality assurance reports shall be made  
16 to the board and the department based upon the data maintained  
17 by the administrative contractor.

18 ~~c.~~ d. Perform other duties as determined by the department  
19 with the approval of the board.

20 Sec. 2. Section 514I.5, subsection 7, paragraphs d and e,  
21 Code Supplement 1999, are amended to read as follows:

22 d. Develop, with the assistance of the department, an  
23 outreach plan, and provide for periodic assessment of the  
24 effectiveness of the outreach plan. The plan shall provide  
25 outreach to families of children likely to be eligible for  
26 assistance under the program, to inform them of the  
27 availability of and to assist the families in enrolling  
28 children in the program. The outreach efforts may include,  
29 but are not limited to, ~~a comprehensive statewide media~~  
30 ~~campaign,~~ solicitation of cooperation from programs, agencies,  
31 and other persons who are likely to have contact with eligible  
32 children, including but not limited to those associated with  
33 the educational system, and the development of community plans  
34 for outreach and marketing.

35 e. In consultation with the clinical advisory committee,

1 ~~select-a-single-nationally-recognized~~ develop a functional  
2 health assessment form for an initial assessment of ~~all~~  
3 ~~eligible~~ children participating in the program, establish a  
4 baseline for comparison purposes, and develop appropriate  
5 indicators to measure the health status of ~~eligible~~ children  
6 participating in the program.

7 Sec. 3. Section 514I.5, subsection 7, paragraph i, Code  
8 Supplement 1999, is amended by striking the paragraph.

9 Sec. 4. Section 514I.5, subsection 7, paragraph 1,  
10 unnumbered paragraph 1, Code Supplement 1999, is amended to  
11 read as follows:

12 Establish an advisory committee to make recommendations to  
13 the board and to the general assembly ~~on-or-before~~ by January  
14 1, ~~1999~~, annually concerning the provision of health insurance  
15 coverage to children with special health care needs under the  
16 program. The committee shall include individuals with  
17 experience in, knowledge of, or expertise in this area. The  
18 recommendations shall address, but are not limited to, all of  
19 the following:

20 Sec. 5. Section 514I.5, subsection 8, paragraphs h and m,  
21 Code Supplement 1999, are amended to read as follows:

22 h. The amount of any cost sharing under the program which  
23 shall be assessed ~~on-a-sliding-fee-scale~~ based on family  
24 income, which provides for a minimum amount of cost sharing,  
25 and which complies with federal law.

26 m. The reasons allowed for approval of an application in  
27 cases in which prior employer-sponsored coverage ended less  
28 than six months prior to the determination of eligibility for  
29 the HAWK-I program. The reasons established by rule shall  
30 include, but are not limited to, all of the following:

31 (1) Loss of employment due to factors other than voluntary  
32 termination.

33 ~~{2}--Death-of-a-parent--~~

34 ~~{3}~~ (2) Change in employment to a new employer that does  
35 not provide an option for dependent coverage.

1     ~~(4)~~ (3) Change of address so that no employer-sponsored  
2 coverage is available.

3     ~~(5)~~ (4) Discontinuation of health benefits to all  
4 employees of the applicant's employer.

5     ~~(6)~~ (5) Expiration of the coverage periods established by  
6 the federal Consolidated Omnibus Budget Reconciliation Act of  
7 1986, Pub. L. No. 99-272, as amended.

8     ~~(7)~~ (6) Self-employment.

9     ~~(8)~~--Termination-of-health-benefits-due-to-a-long-term  
10 disability.

11    ~~(9)~~ (7) Termination of dependent coverage due to an  
12 extreme economic hardship on the part of either the employee  
13 or-the-employer, as determined by rule.

14    ~~(10)~~--Substantial-reduction-in-either-lifetime-medical  
15 benefits-or-benefit-category-available-to-an-employee-and  
16 dependents-under-an-employer's-health-care-plan.

17     If the board determines that the allowance of the six-month  
18 period from the time of dropping coverage to be eligible for  
19 participation in the HAWK-I program is insufficient to  
20 effectively deter applicants or employers of applicants from  
21 discontinuing employer-sponsored dependent care coverage for  
22 the purpose of participation in the HAWK-I program, the board  
23 may adopt rules to extend the time period to a period not to  
24 exceed twelve months.

25     Sec. 6. Section 514I.6, subsection 3, Code 1999, is  
26 amended by striking the subsection.

27     Sec. 7. Section 514I.7, subsection 2, paragraph c, Code  
28 Supplement 1999, is amended to read as follows:

29     c. Forward names of children who appear to be eligible for  
30 medical assistance ~~or-other-public-health-insurance-coverage~~  
31 ~~to-local~~ to the department of human services offices-or-other  
32 appropriate-person-or-agency for follow up and retain the  
33 identifying data on children who are referred.

34     Sec. 8. Section 514I.7, subsection 2, paragraph h, Code  
35 Supplement 1999, is amended by striking the paragraph.

1 Sec. 9. Section 514I.8, subsection 2, paragraphs c and e,  
2 Code 1999, are amended to read as follows:

3 c. Is a member of a family whose ~~adjusted-gross~~ income  
4 does not exceed one hundred eighty-five percent of the federal  
5 poverty level, as defined in 42 U.S.C. § 9902(2), including  
6 any revision required by such section.

7 e. Is not currently covered under or was not covered  
8 within the prior six months under a group health plan as  
9 defined in 42 U.S.C. § 300gg-91(a)(1) ~~or other health benefit~~  
10 ~~plan, unless the coverage was involuntarily lost or unless~~  
11 ~~dropping the coverage is~~ allowed by rule of the board.

12 Sec. 10. Section 514I.10, Code 1999, is amended to read as  
13 follows:

14 514I.10 COST SHARING.

15 1. Cost sharing for eligible children whose family  
16 ~~adjusted-gross~~ income is at or below one hundred fifty percent  
17 of the federal poverty level shall not exceed the standards  
18 permitted under 42 U.S.C. § 1396(o)(a)(3) or § 1396(o)(b)(1).

19 2. Cost sharing for eligible children whose family  
20 ~~adjusted-gross~~ income is between one hundred fifty percent and  
21 one hundred eighty-five percent of the federal poverty level  
22 shall include a premium or copayment amount which is at least  
23 a minimum amount but which does not exceed five percent of the  
24 annual family ~~adjusted-gross~~ income. The amount of the  
25 premium or the copayment amount shall be based on ~~a sliding~~  
26 ~~fee scale established by rule which is based on~~ family  
27 ~~adjusted-gross~~ income and the size ~~of the family~~.

28 EXPLANATION

29 This bill amends portions of the Code relating to the  
30 healthy and well kids in Iowa (HAWK-I) program.

31 The bill deletes the requirement that the department of  
32 human services (DHS) establish family cost sharing based on a  
33 sliding fee scale. The new language reflects current practice  
34 which is establishment of a cost sharing amount approved by  
35 the HAWK-I board. The bill also directs DHS to perform

1 periodic, random reviews of enrollee applications to ensure  
2 program compliance. Quality assurance reports are to be made  
3 to the board and to DHS based upon the data maintained by the  
4 administrative contractor of the program.

5 The bill eliminates the requirement that the outreach  
6 efforts developed by the board include a comprehensive  
7 statewide media campaign. The bill directs the board to  
8 develop a functional health assessment form rather than  
9 selecting a single, nationally recognized assessment form for  
10 children participating in the program. The bill eliminates  
11 the requirement that the board perform periodic random reviews  
12 of enrollee applications to assure program compliance, as this  
13 function is given to the department under the bill. The bill  
14 also directs the advisory committee on children with special  
15 health care needs to make recommendations annually by January  
16 1, rather than only one time by January 1, 1999.

17 The bill eliminates, as reasons allowed for approval of an  
18 application in cases in which prior employer-sponsored  
19 coverage ended less than six months prior to determination of  
20 eligibility for the program, the death of a parent,  
21 termination of health benefits due to a long-term disability,  
22 and a substantial reduction in either lifetime medical  
23 benefits or benefit category available to an employee and  
24 dependents under an employer's health care plan. Another  
25 existing reason for approval of an application under these  
26 circumstances is amended so that termination of dependent  
27 coverage due to an extreme economic hardship on the part of  
28 only the employee, and not on the part of either the employee  
29 or employer, is reason to allow approval of an application.  
30 The bill also eliminates a requirement that participating  
31 insurers submit a marketing plan to the HAWK-I board  
32 consistent with the board's outreach plan, for approval by the  
33 board.

34 The bill amends the directive to the administrative  
35 contractor to forward names of children who appear to be

1 eligible for health insurance coverage, other than medical  
2 assistance, to local offices of DHS or other appropriate  
3 persons, and limits the directive to forwarding the names of  
4 children who appear to be eligible for medical assistance only  
5 to the state offices of DHS. The bill also eliminates the  
6 directive to the administrative contractor to make program  
7 applications available through the mail and through local  
8 sites, as determined by DHS, including to schools, local  
9 health departments, local department of human services  
10 offices, and other locations.

11 The bill also removes the reference to "adjusted gross  
12 income" in establishing eligibility for the program, and  
13 refers only to income, which is defined by rule.

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**THOMAS J. VILSACK, GOVERNOR**  
**SALLY J. PEDERSON, LT. GOVERNOR**

**DEPARTMENT OF HUMAN SERVICES**  
**JESSIE K. RASMUSSEN, DIRECTOR**

January 24, 2000

**TO:** Members of the General Assembly

**FROM:** Karla McHenry

The Iowa Department of Human Services is proposing amendments to clarify legislation relating to the Healthy And Well Kids in Iowa (HAWK-I) program. The proposals are merely "clean up" and do not make substantial programmatic changes. In addition to minor grammatical corrections, the proposals are:

- That cost sharing is based on a schedule established by the HAWK-I Board. The current legislation requires cost sharing on a sliding fee scale. The Board adopted a standard cost sharing rate for all families above 150% of the federal poverty level to reduce program complexity and administration.
- To remove the requirement for the HAWK-I Board to perform random, periodic reviews of enrollee applications as a function of the Board. This has been moved to a duty of the Department.
- The language requiring the HAWK-I Board to select a single, nationally recognized functional health assessment form has been amended to require the Board to develop a functional health assessment form. This change is being made because none of the nationally recognized forms were designed specifically for children. Therefore, a child-specific form was developed.
- The language requiring a 6-month waiting period for children who have been insured has been amended to clarify that the 6-month waiting period is not imposed in situations where the employee has no control over the loss of the insurance.
- The language has been modified to remove "adjusted gross" when establishing income limits.



FILED FEB 16 2000

SENATE FILE 2195  
BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO SSB 3098)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

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S.F. 2195

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2 amended to read as follows:

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4 following:

5 a. Develop a program application form not to exceed two  
6 pages in length, which is consistent with the rules of the  
7 board, which is easy to understand, complete, and concise, and  
8 which, to the greatest extent possible, coordinates with the  
9 medical assistance program.

10 b. Establish the family cost sharing ~~amount~~-based-on-a  
11 ~~sliding-fee-scale~~-if-established-by amounts with the approval  
12 of the board.

13 c. Perform periodic, random reviews of enrollee  
14 applications to ensure compliance with program eligibility and  
15 enrollment policies. Quality assurance reports shall be made  
16 to the board and the department based upon the data maintained  
17 by the administrative contractor.

18 ~~c.~~ d. Perform other duties as determined by the department  
19 with the approval of the board.

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21 Code Supplement 1999, are amended to read as follows:

22 d. Develop, with the assistance of the department, an  
23 outreach plan, and provide for periodic assessment of the  
24 effectiveness of the outreach plan. The plan shall provide  
25 outreach to families of children likely to be eligible for  
26 assistance under the program, to inform them of the  
27 availability of and to assist the families in enrolling  
28 children in the program. The outreach efforts may include,  
29 but are not limited to, ~~a-comprehensive-statewide-media~~  
30 ~~campaign~~, solicitation of cooperation from programs, agencies,  
31 and other persons who are likely to have contact with eligible  
32 children, including but not limited to those associated with  
33 the educational system, and the development of community plans  
34 for outreach and marketing.

35 e. In consultation with the clinical advisory committee,

1 ~~select-a-single,-nationally-recognized~~ develop a functional  
2 health assessment form for an initial assessment of all  
3 eligible children participating in the program, establish a  
4 baseline for comparison purposes, and develop appropriate  
5 indicators to measure the health status of eligible children  
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8 Supplement 1999, is amended by striking the paragraph.

9 Sec. 4. Section 514I.5, subsection 7, paragraph 1,  
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17 experience in, knowledge of, or expertise in this area. The  
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20 Sec. 5. Section 514I.5, subsection 8, paragraphs h and m,  
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22 h. The amount of any cost sharing under the program which  
23 shall be assessed ~~on-a-sliding-fee-scale~~ based on family  
24 income, which provides for a minimum amount of cost sharing,  
25 and which complies with federal law.

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27 cases in which prior employer-sponsored coverage ended less  
28 than six months prior to the determination of eligibility for  
29 the HAWK-I program. The reasons established by rule shall  
30 include, but are not limited to, all of the following:

31 (1) Loss of employment due to factors other than voluntary  
32 termination.

33 ~~(2)--Death-of-a-parent--~~

34 ~~(3)~~ (2) Change in employment to a new employer that does  
35 not provide an option for dependent coverage.

1    ~~(4)~~ (3) Change of address so that no employer-sponsored  
2 coverage is available.

3    ~~(5)~~ (4) Discontinuation of health benefits to all  
4 employees of the applicant's employer.

5    ~~(6)~~ (5) Expiration of the coverage periods established by  
6 the federal Consolidated Omnibus Budget Reconciliation Act of  
7 1986, Pub. L. No. 99-272, as amended.

8    ~~(7)~~ (6) Self-employment.

9    ~~(8)~~ ~~Termination of health benefits due to a long-term~~  
10 ~~disability.~~

11   ~~(9)~~ (7) Termination of dependent coverage due to an  
12 extreme economic hardship on the part of either the employee  
13 ~~or the employer~~, as determined by rule.

14   ~~(10)~~ ~~Substantial reduction in either lifetime medical~~  
15 ~~benefits or benefit category available to an employee and~~  
16 ~~dependents under an employer's health care plan.~~

17    If the board determines that the allowance of the six-month  
18 period from the time of dropping coverage to be eligible for  
19 participation in the HAWK-I program is insufficient to  
20 effectively deter applicants or employers of applicants from  
21 discontinuing employer-sponsored dependent care coverage for  
22 the purpose of participation in the HAWK-I program, the board  
23 may adopt rules to extend the time period to a period not to  
24 exceed twelve months.

25    Sec. 6. Section 514I.6, subsection 3, Code 1999, is  
26 amended by striking the subsection.

27    Sec. 7. Section 514I.7, subsection 2, paragraph c, Code  
28 Supplement 1999, is amended to read as follows:

29    c. Forward names of children who appear to be eligible for  
30 medical assistance ~~or other public health insurance coverage~~  
31 ~~to local~~ to the department of human services ~~offices or other~~  
32 ~~appropriate person or agency~~ for follow up and retain the  
33 identifying data on children who are referred.

34    Sec. 8. Section 514I.7, subsection 2, paragraph h, Code  
35 Supplement 1999, is amended by striking the paragraph.

1 Sec. 9. Section 514I.8, subsection 2, paragraphs c and e,  
2 Code 1999, are amended to read as follows:

3 c. Is a member of a family whose ~~adjusted-gross~~ income  
4 does not exceed one hundred eighty-five percent of the federal  
5 poverty level, as defined in 42 U.S.C. § 9902(2), including  
6 any revision required by such section.

7 e. Is not currently covered under or was not covered  
8 within the prior six months under a group health plan as  
9 defined in 42 U.S.C. § 300gg-91(a)(1) ~~or other health-benefit~~  
10 ~~plan, unless the coverage was involuntarily lost or unless~~  
11 ~~dropping the coverage is~~ allowed by rule of the board.

12 Sec. 10. Section 514I.10, Code 1999, is amended to read as  
13 follows:

14 514I.10 COST SHARING.

15 1. Cost sharing for eligible children whose family  
16 ~~adjusted-gross~~ income is at or below one hundred fifty percent  
17 of the federal poverty level shall not exceed the standards  
18 permitted under 42 U.S.C. § 1396(o)(a)(3) or § 1396(o)(b)(1).

19 2. Cost sharing for eligible children whose family  
20 ~~adjusted-gross~~ income is between one hundred fifty percent and  
21 one hundred eighty-five percent of the federal poverty level  
22 shall include a premium or copayment amount which is at least  
23 a minimum amount but which does not exceed five percent of the  
24 annual family ~~adjusted-gross~~ income. The amount of the  
25 premium or the copayment amount shall be based on ~~a sliding~~  
26 ~~fee-scale-established-by-rule-which-is-based-on~~ family  
27 ~~adjusted-gross~~ income and the size ~~of-the-family~~.

28

EXPLANATION

29 This bill amends portions of the Code relating to the  
30 healthy and well kids in Iowa (HAWK-I) program.

31 The bill deletes the requirement that the department of  
32 human services (DHS) establish family cost sharing based on a  
33 sliding fee scale. The new language reflects current practice  
34 which is establishment of a cost sharing amount approved by  
35 the HAWK-I board. The bill also directs DHS to perform

1 periodic, random reviews of enrollee applications to ensure  
2 program compliance. Quality assurance reports are to be made  
3 to the board and to DHS based upon the data maintained by the  
4 administrative contractor of the program.

5 The bill eliminates the requirement that the outreach  
6 efforts developed by the board include a comprehensive  
7 statewide media campaign. The bill directs the board to  
8 develop a functional health assessment form rather than  
9 selecting a single, nationally recognized assessment form for  
10 children participating in the program. The bill eliminates  
11 the requirement that the board perform periodic random reviews  
12 of enrollee applications to assure program compliance, as this  
13 function is given to the department under the bill. The bill  
14 also directs the advisory committee on children with special  
15 health care needs to make recommendations annually by January  
16 1, rather than only one time by January 1, 1999.

17 The bill eliminates, as reasons allowed for approval of an  
18 application in cases in which prior employer-sponsored  
19 coverage ended less than six months prior to determination of  
20 eligibility for the program, the death of a parent,  
21 termination of health benefits due to a long-term disability,  
22 and a substantial reduction in either lifetime medical  
23 benefits or benefit category available to an employee and  
24 dependents under an employer's health care plan. Another  
25 existing reason for approval of an application under these  
26 circumstances is amended so that termination of dependent  
27 coverage due to an extreme economic hardship on the part of  
28 only the employee, and not on the part of either the employee  
29 or employer, is reason to allow approval of an application.  
30 The bill also eliminates a requirement that participating  
31 insurers submit a marketing plan to the HAWK-I board  
32 consistent with the board's outreach plan, for approval by the  
33 board.

34 The bill amends the directive to the administrative  
35 contractor to forward names of children who appear to be

1 eligible for health insurance coverage, other than medical  
2 assistance, to local offices of DHS or other appropriate  
3 persons, and limits the directive to forwarding the names of  
4 children who appear to be eligible for medical assistance only  
5 to the state offices of DHS. The bill also eliminates the  
6 directive to the administrative contractor to make program  
7 applications available through the mail and through local  
8 sites, as determined by DHS, including to schools, local  
9 health departments, local department of human services  
10 offices, and other locations.

11 The bill also removes the reference to "adjusted gross  
12 income" in establishing eligibility for the program, and  
13 refers only to income, which is defined by rule.

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## SENATE FILE 2195

S-5018

1 Amend Senate File 2195 as follows:

2 1. Page 4, by inserting after line 11, the  
3 following:

4 "Sec. \_\_\_\_ . Section 514I.8, subsection 3, Code  
5 1999, is amended to read as follows:

6 3. In accordance with the rules adopted by the  
7 board, a child may be determined to be presumptively  
8 eligible for the program pending a final eligibility  
9 determination. Following final determination of  
10 eligibility by the administrative contractor, a child  
11 and all children included in the final eligibility  
12 determination shall be eligible for a twelve-month  
13 period. Any other child, who is a member of a family  
14 in which any other child has been granted a final  
15 eligibility determination for a twelve-month period,  
16 who was not initially but is subsequently determined  
17 to be eligible during that twelve-month period, shall  
18 be eligible for the remainder of that twelve-month  
19 period. At the end of the twelve-month period, the  
20 administrative contractor shall conduct a review of  
21 the circumstances of the eligible child's family to  
22 establish eligibility and cost sharing for the  
23 subsequent twelve-month period."

24 2. By renumbering as necessary.

By MARY E. KRAMER

S-5018 FILED FEBRUARY 22, 2000  
DEFERRED

## SENATE FILE 2195

S-5021

1 Amend Senate File 2195 as follows:

2 1. Page 2, by striking lines 31 and 32 and  
3 inserting the following:

4 "(1) Loss or change of employment due-to-factors  
5 other-than-voluntary-termination."

By JOHNIE HAMMOND

S-5021 FILED FEBRUARY 22, 2000



## SENATE FILE 2195

S-5022

1 Amend Senate File 2195 as follows:

2 1. Page 4, by striking lines 3 through 6, and  
3 inserting the following:

4 "c. Is a member of a family whose ~~adjusted-gross~~  
5 income does not exceed one two hundred eighty-five  
6 percent of the federal poverty level, as defined in 42  
7 U.S.C. § 9902(2), including any revision required by  
8 such section."

9 2. Page 4, by striking lines 15 through 27, and  
10 inserting the following:

11 "1. Cost sharing for eligible children whose  
12 family ~~adjusted-gross~~ income is at or below one  
13 hundred fifty percent of the federal poverty level  
14 shall not exceed the standards permitted under 42  
15 U.S.C. § 1396(o)(a)(3) or § 1396(o)(b)(1).

16 2. Cost sharing for eligible children whose family  
17 ~~adjusted-gross~~ income is between one hundred fifty  
18 percent and one two hundred eighty-five percent of the  
19 federal poverty level shall include a premium or  
20 copayment amount which is at least a minimum amount  
21 but which does not exceed five percent of the annual  
22 family ~~adjusted-gross~~ income. The amount of the  
23 premium or the copayment amount shall be based on a  
24 ~~sliding-fee-scale-established-by-rule-which-is-based~~  
25 on family ~~adjusted-gross~~ income and ~~the size of the~~  
26 family."

27 3. By renumbering as necessary.

By PATRICK J. DELUHERY  
JOHNIE HAMMOND

MICHAEL E. GRONSTAL  
PATRICIA HARPER

S-5022 FILED FEBRUARY 22, 2000

## SENATE FILE 2195

S-5023

1 Amend the amendment, S-5018, to Senate File 2195 as  
2 follows:

3 1. Page 1, line 7, by striking the word "may" and  
4 inserting the following: "may shall".

By JOHNIE HAMMOND

S-5023 FILED FEBRUARY 22, 2000