

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4829

To require equal coverage under a health plan for all children under the age of 27 of an individual who enrolls in the plan under a family class of enrollment.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 26, 1994

Mr. BAKER of California introduced the following bill; which was referred jointly to the Committees on Energy and Commerce, Education and Labor, and the Judiciary

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## A BILL

To require equal coverage under a health plan for all children under the age of 27 of an individual who enrolls in the plan under a family class of enrollment.

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 “Family Health Care  
5 Coverage Act”.

6 **SEC. 2. FAMILY COVERAGE OF CHILDREN.**

7 (a) IN GENERAL.—In the case of an individual en-  
8 rolled in a health plan under a family class of enrollment,  
9 the carrier providing the plan, or the plan sponsor spon-

1 soring or maintaining the plan, shall offer and provide  
2 equal coverage under the plan to any child of the individ-  
3 ual, if the child elects to receive coverage pursuant to such  
4 family enrollment.

5 (b) DEFINITIONS.—For purposes of this section:

6 (1) CARRIER.—The term “carrier” means a li-  
7 censed insurance company, a hospital or medical  
8 service corporation (including an existing Blue Cross  
9 or Blue Shield organization, within the meaning of  
10 section 833(c)(2) of the Internal Revenue Code of  
11 1986), a health maintenance organization, or any  
12 other entity (other than a plan sponsor) licensed or  
13 certified by a State to provide health insurance or  
14 health benefits.

15 (2) CHILD.—

16 (A) IN GENERAL.—The term “child”  
17 means an individual who—

18 (i) is less than 27 years of age;

19 (ii) has never been married;

20 (iii) has no dependents; and

21 (iv) has a parent-child relationship  
22 with another individual who is eligible to  
23 enroll in a health plan under a family class  
24 of enrollment.

1 (B) APPLICATION OF STATE LAW.—Deter-  
2 mination of whether a child has a parent-child  
3 relationship with another individual shall be  
4 made in accordance with applicable State law.

5 (3) FAMILY CLASS OF ENROLLMENT.—The  
6 terms “family class of enrollment” and “family en-  
7 rollment” mean enrollment in a health plan under a  
8 class of enrollment that provides coverage for—

9 (A) An unmarried individual and 1 or  
10 more children; or

11 (B) A married couple and 1 or more chil-  
12 dren.

13 (4) GROUP HEALTH PLAN.—The term “group  
14 health plan” means an employee welfare benefit plan  
15 (as defined in section 3(1) of the Employee Retirement  
16 Income Security Act of 1974) providing medi-  
17 cal care (as defined in section 213(d) of the Internal  
18 Revenue Code of 1986) to participants or bene-  
19 ficiaries (as defined in section 3 of the Employee Re-  
20 tirement Income Security Act of 1974) directly or  
21 through insurance, reimbursement, or otherwise.

22 (5) HEALTH PLAN.—The term “health plan”  
23 means—

24 (A) any contract of health insurance, in-  
25 cluding any hospital or medical service policy or

1 certificate, hospital or medical service plan con-  
2 tract, or health maintenance organization group  
3 contract, that is provided by a carrier; or

4 (B) a group health plan, an employee wel-  
5 fare benefit plan, a multiple employer welfare  
6 arrangement, or other arrangement insofar as  
7 the plan or arrangement provides health bene-  
8 fits and is funded in a manner other than  
9 through the purchase of one or more policies or  
10 contracts described in subparagraph (A).

11 (6) PLAN SPONSOR.—The term “plan sponsor”  
12 means—

13 (A) a plan sponsor described in section  
14 3(16)(B)(iii) of Employee Retirement Income  
15 Security Act of 1974, but only with respect to  
16 a group health plan that is maintained by the  
17 sponsor;

18 (B) an employer of an employee covered  
19 under a health plan that is a multiple employer  
20 welfare arrangement (as defined in section  
21 3(40) of the Employee Retirement Income Se-  
22 curity Act); or

23 (C) an employee organization that spon-  
24 sors such a health plan.

1 **SEC. 3. CIVIL MONEY PENALTY.**

2 (a) VIOLATION.—Any individual who, or entity that,  
3 the Secretary of Health and Human Services determines  
4 has failed to comply with section 1 shall be subject, in  
5 addition to any other penalties that may be prescribed by  
6 law, to a civil money penalty of not more than \$500 for  
7 each such violation.

8 (b) PROCEDURES FOR IMPOSITION OF PENALTIES.—  
9 The provisions of section 1128A of the Social Security Act  
10 (other than subsections (a) and (b) and the second sen-  
11 tence of subsection (f)) shall apply to the imposition of  
12 a civil monetary penalty under this section in the same  
13 manner as such provisions apply with respect to the impo-  
14 sition of a penalty under section 1128A of such Act.

15 **SEC. 4. INAPPLICABILITY OF MCCARRAN-FERGUSON ACT.**

16 For purposes of section 2(b) of the Act of March 9,  
17 1945 (15 U.S.C. 1012(b); commonly known as the  
18 McCarran-Ferguson Act), this Act shall be considered to  
19 specifically relate to the business of insurance.

20 **SEC. 5. REGULATIONS.**

21 The Secretary of Health and Human Services may  
22 issue regulations to carry out this Act.

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