

104TH CONGRESS
1ST SESSION

H. R. 2168

To extend COBRA continuation coverage to retirees and their dependents,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 1995

Mr. JOHNSON of South Dakota introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committees on Ways and Means, and Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To extend COBRA continuation coverage to retirees and
their dependents, and for other purposes.

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 “Retiree Continuation
5 Coverage Act of 1995.”

6 **SEC. 2. EXTENSION OF COBRA CONTINUATION COVERAGE.**

7 (a) PUBLIC HEALTH SERVICE ACT.—

1 (1) PERIOD OF COVERAGE.—Section
2 2202(2)(A) of the Public Health Service Act (42
3 U.S.C. 300bb–2(2)(A)) is amended by adding at the
4 end thereof the following new clause:

5 “(v) QUALIFYING EVENT INVOLVING
6 SUBSTANTIAL REDUCTION OR ELIMI-
7 NATION OF A RETIREE GROUP HEALTH
8 PLAN.—In the case of an event described
9 in section 2203(6), the date on which such
10 covered qualified beneficiary becomes enti-
11 tled to benefits under title XVIII of the
12 Social Security Act.”.

13 (2) QUALIFYING EVENT.—Section 2203 of the
14 Public Health Service Act (42 U.S.C. 300bb–3) is
15 amended by adding at the end thereof the following
16 new paragraph:

17 “(6) The substantial reduction or elimination of
18 group health coverage as a result of plan changes or
19 termination with respect to a qualified beneficiary
20 described in section 2208(3)(A).”.

21 (3) NOTICE.—Section 2206 of the Public
22 Health Service Act (42 U.S.C. 300bb–6) is amend-
23 ed—

24 (A) in paragraph (2), by striking “or (4)”
25 and inserting “(4), or (6)”; and

1 (B) in paragraph (4)(A), by striking “or
2 (4)” and inserting “(4), or (6)”.

3 (4) DEFINITION.—Section 2208(3) of the Pub-
4 lic Health Service Act (42 U.S.C. 300bb–8(3)) is
5 amended by adding at the end thereof the following
6 new subparagraph:

7 “(C) SPECIAL RULE FOR RETIREES.—In
8 the case of a qualifying event described in sec-
9 tion 2203(6), the term ‘qualified beneficiary’ in-
10 cludes a covered employee who had retired on
11 or before the date of substantial reduction or
12 elimination of coverage and any other individual
13 who, on the day before such qualifying event, is
14 a beneficiary under the plan—

15 “(i) as the spouse of the covered em-
16 ployee;

17 “(ii) as the dependent child of the
18 covered employee; or

19 “(iii) as the surviving spouse of the
20 covered employee.”.

21 (b) EMPLOYEE RETIREMENT INCOME SECURITY ACT
22 OF 1974.—

23 (1) PERIOD OF COVERAGE.—Section 602(2)(A)
24 of the Employee Retirement Income Security Act of

1 1974 (29 U.S.C. 1162(2)(A)) is amended by adding
2 at the end thereof the following new clause:

3 “(vi) QUALIFYING EVENT INVOLVING
4 SUBSTANTIAL REDUCTION OR ELIMI-
5 NATION OF A GROUP HEALTH COVERING
6 RETIREES, SPOUSES, AND DEPENDENTS.—
7 In the case of an event described in section
8 603(7), the date on which such covered
9 qualified beneficiary becomes entitled to
10 benefits under title XVIII of the Social Se-
11 curity Act.”.

12 (2) QUALIFYING EVENT.—Section 603 of the
13 Employee Retirement Income Security Act of 1974
14 (29 U.S.C. 1163) is amended by adding at the end
15 thereof the following new paragraph:

16 “(7) The substantial reduction or elimination of
17 group health plan coverage as a result of plan
18 changes or termination with respect to a qualified
19 beneficiary described in section 607(3)(C).”.

20 (3) NOTICE.—Section 606(a) of the Employee
21 Retirement Income Security Act of 1974 (29 U.S.C.
22 1166) is amended—

23 (A) in paragraph (2), by striking “or (6)”
24 and inserting “(6), or (7)”; and

1 (B) in paragraph (4)(A), by striking “or
2 (6)” and inserting “(6), or (7)”.

3 (4) DEFINITION.—Section 607(3)(C) of the
4 Employee Retirement Income Security Act of 1974
5 (29 U.S.C. 1167(2)) is amended by striking
6 “603(6)” and inserting “603(6) or 603(7)”.

7 (c) INTERNAL REVENUE CODE OF 1986.—

8 (1) PERIOD OF COVERAGE.—Section
9 4980B(f)(2)(B)(i) of the Internal Revenue Code of
10 1986 is amended by adding at the end thereof the
11 following new subclause:

12 “(VI) QUALIFYING EVENT IN-
13 VOLVING SUBSTANTIAL REDUCTION
14 OR ELIMINATION OF A RETIREE
15 GROUP HEALTH PLAN.—In the case of
16 an event described in paragraph
17 (3)(G), the date on which such cov-
18 ered qualified beneficiary becomes en-
19 titled to benefits under title XVIII of
20 the Social Security Act.”

21 (2) QUALIFYING EVENT.—Section 4980B(f)(3)
22 of the Internal Revenue Code of 1986 is amended by
23 adding at the end thereof the following new subpara-
24 graph:

1 “(G) The substantial reduction of elimi-
2 nation of group health coverage as a result of
3 plan changes or termination with respect to a
4 qualified beneficiary described in subsection
5 (g)(1)(D).”

6 (3) NOTICE.—Section 4980B(f)(6) of the Inter-
7 nal Revenue Code of 1986 is amended—

8 (A) in subparagraph (B), by striking “or
9 (F)” and inserting “(F), or (G)”; and

10 (B) in subparagraph (D)(i), by striking
11 “or (F)” and inserting “(F), or (G)”.

12 (4) DEFINITION.—Section 4980B(g)(1)(D) of
13 the Internal Revenue Code of 1986 is amended by
14 striking “(f)(3)(F)” and inserting “(f)(3)(F) or
15 (f)(3)(G)”.

16 **SEC. 3. EFFECTIVE DATE.**

17 This Act shall take effect as if enacted on January
18 1, 1995.

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