

105TH CONGRESS  
1ST SESSION

# H. R. 2128

To permit Medicare-eligible retired members of the Armed Forces and their Medicare-eligible dependents to enroll in the Federal Employees Health Benefits program.

---

## IN THE HOUSE OF REPRESENTATIVES

JULY 9, 1997

Mr. STEARNS introduced the following bill; which was referred to the Committee on Government Reform and Oversight, and in addition to the Committee on National Security, 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 permit Medicare-eligible retired members of the Armed Forces and their Medicare-eligible dependents to enroll in the Federal Employees Health Benefits program.

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. EXPANSION OF FEDERAL EMPLOYEES HEALTH**  
4 **BENEFITS PROGRAM TO INCLUDE RETIRED**  
5 **MEMBERS AND DEPENDENTS WHO ARE MEDI-**  
6 **CARE ELIGIBLE.**

7 (a) **FEDERAL EMPLOYEE HEALTH BENEFITS PRO-**  
8 **GRAM OPTION.**—The Secretary of Defense, after consult-

1 ing with the other administering Secretaries under chapter  
2 55 of title 10, United States Code, shall enter into an  
3 agreement with the Office of Personnel Management  
4 under which certain persons are offered enrollment in a  
5 health benefits plan under chapter 89 of title 5, United  
6 States Code, in lieu of receiving care in treatment facilities  
7 of the uniformed services or through the Civilian Health  
8 and Medical Program of the Uniformed Services or the  
9 TRICARE program. The agreement may provide for en-  
10 rollment limitations if the Office of Personnel Manage-  
11 ment determines that the limitations are necessary to  
12 allow for adequate planning for access for services under  
13 chapter 89 of title 5, United States Code.

14 (b) ELIGIBLE PERSONS.—(1) The following persons  
15 shall be eligible for enrollment under this section:

16 (A) A member or former member of the uni-  
17 formed services described in section 1074(b) of title  
18 10, United States Code, who is or becomes entitled  
19 to hospital insurance benefits under part A of title  
20 XVIII of the Social Security Act (42 U.S.C. 1395c  
21 et seq.).

22 (B) A dependent of a person described in sub-  
23 paragraph (A) if the dependent is otherwise eligible  
24 for health care under chapter 55 of title 10, United  
25 States Code and is or becomes entitled to hospital

1 insurance benefits under part A of title XVIII of the  
2 Social Security Act (42 U.S.C. 1395c et seq.).

3 (2) Persons described in paragraph (1) shall not be  
4 required to satisfy any eligibility criteria specified in chap-  
5 ter 89 of title 5, United States Code, as a condition for  
6 enrollment in a health benefits plan offered through the  
7 Federal Employee Health Benefits program pursuant to  
8 subsection (a).

9 (c) CONTRIBUTIONS.—(1) In the case of a person de-  
10 scribed in subsection (b) who enrolls in a health benefits  
11 plan offered through the Federal Employee Health Bene-  
12 fits program pursuant to subsection (a), the administering  
13 Secretary concerned shall be responsible for Government  
14 contributions that the Office of Personnel Management  
15 determines are necessary to cover all costs in excess of  
16 beneficiary contributions under paragraph (2).

17 (2) The contribution required from an enrolled per-  
18 son under this section shall be equal to the amount that  
19 would be withheld from the pay of a similarly situated  
20 Federal employee who enrolls in a health benefits plan  
21 under chapter 89 of title 5, United States Code.

22 (d) MANAGEMENT OF PARTICIPATION.—The author-  
23 ity responsible for approving retired or retainer pay or  
24 equivalent pay in the case of a member or former member  
25 shall manage the participation of the member or former

1 member, and dependents of the member or former mem-  
2 ber, who enroll in a health benefits plan offered through  
3 the Federal Employee Health Benefits program pursuant  
4 to subsection (a). The Office of Personnel Management  
5 shall maintain separate risk pools for persons described  
6 in subsection (b) until such time as the Director of the  
7 Office of Personnel Management determines that complete  
8 inclusion chapter 89 of title 5, United States Code, of per-  
9 sons described in subsection (b) will not adversely affect  
10 Federal employees and annuitants enrolled in health bene-  
11 fits plans under such chapter.

12 (e) EFFECT OF CANCELLATION.—The cancellation  
13 by a person described in subsection (b) of coverage under  
14 the Federal Employee Health Benefits program shall be  
15 irrevocable for purposes of this section.

16 (f) REPORTING REQUIREMENTS.—Not later than No-  
17 vember 1 of each year, the Secretary of Defense and the  
18 Director of the Office of Personnel Management shall  
19 jointly submit a report to Congress describing the provi-  
20 sion of health care services to persons under this section  
21 during the preceding fiscal year. The report shall address  
22 or contain the following:

23 (1) The number of persons enrolled in health  
24 benefits plans offered through the Federal Employee  
25 Health Benefits program pursuant to subsection (a),

1 both in terms of total number and as a percentage  
2 of all persons receiving health care through the  
3 health care system of the uniformed services.

4 (2) The out-of-pocket cost to enrollees under  
5 such health benefits plans.

6 (3) The cost to the Government (including the  
7 Department of Defense, the Department of Trans-  
8 portation, and the Department of Health and  
9 Human Services) of providing care under such  
10 health benefits plans.

11 (4) A comparison of the costs determined under  
12 paragraphs (2) and (3) and the costs that would  
13 have otherwise been incurred by the Government  
14 and enrollees under alternative health care options  
15 available to the administering Secretaries.

16 (5) The effect of this section on the cost, ac-  
17 cess, and utilization rates of other health care op-  
18 tions under the health care system of the uniformed  
19 services.

20 (g) TIME FOR OPTION.—The Secretary of Defense  
21 shall begin to offer the health benefits option under sub-  
22 section (a) not later than October 1, 1997.

23 (h) CONFORMING AMENDMENTS.—Chapter 89 of  
24 title 5, United States Code, is amended—

25 (1) in section 8905—

1           (A) by redesignating subsections (d)  
2 through (f) as subsections (e) through (g), re-  
3 spectively; and

4           (B) by inserting after subsection (c) the  
5 following new subsection:

6       “(d) An individual whom the Secretary of Defense de-  
7 termines is an eligible person under the special authority  
8 provided to the Secretary may enroll in a health benefits  
9 plan under this chapter in accordance with the agreement  
10 between the Secretary and the Office and applicable regu-  
11 lations under this chapter.”;

12           (2) in section 8906(b)—

13           (A) in paragraph (1), by striking “para-  
14 graphs (2) and (3)” and inserting in lieu there-  
15 of “paragraphs (2), (3), and (4)”; and

16           (B) by adding at the end the following new  
17 paragraph:

18       “(4) In the case of individuals who enroll in a health  
19 plan in accordance with section 8905(d) of this title, the  
20 Government contribution shall be determined in accord-  
21 ance with the agreement between the Secretary and the  
22 Office.”; and

23           (3) in section 8906(g)—

1           (A) in paragraph (1), by striking “para-  
2           graph (2)” and inserting in lieu thereof “para-  
3           graphs (2) and (3)”; and

4           (B) by adding at the end the following new  
5           paragraph:

6           “(3) The Government contribution described in sub-  
7           section (b)(4) for beneficiaries who enroll in accordance  
8           with section 8905(d) of this title shall be paid in accord-  
9           ance with the agreement between the Secretary and the  
10          Office.”.

○