

105TH CONGRESS  
1ST SESSION

# S. 1496

To remove inequities between Congressional and contract employees regarding access to health insurance.

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 9, 1997

Mr. DASCHLE introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

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## A BILL

To remove inequities between Congressional and contract employees regarding access to health insurance.

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 “Congressional Contrac-  
5       tor Health Insurance Equity Act”.

6       **SEC. 2. DEFINITIONS.**

7       For purposes of this Act:

8               (1) **CONTRACT.**—The term “contract” means  
9       any contract for items or services or any lease of

1 Government property (including any subcontract of  
2 such contract or any sublease of such lease)—

3 (A) the consideration with respect to which  
4 is greater than \$75,000 per year,

5 “(B) with respect to a contract for serv-  
6 ices, requires at least 1000 hours of services,  
7 and

8 (B) entered into between any entity or in-  
9 strumentality of the legislative branch of the  
10 Federal Government and any individual or en-  
11 tity employing at least 15 full-time employees.

12 (2) EMPLOYEE.—The term “employee” has the  
13 meaning given such term under section 3(6) of the  
14 Employee Retirement Income Security Act of 1974  
15 (29 U.S.C. 1002(6)).

16 (3) ENTITY OF THE LEGISLATIVE BRANCH.—  
17 The term “entity of the legislative branch” includes  
18 the following:

19 (A) The House of Representatives.

20 (B) The Senate.

21 (C) The Capitol Guide Service.

22 (D) The Capitol Police.

23 (E) The Congressional Budget Office.

24 (F) The Office of the Architect of the Cap-  
25 itol.

1 (G) The Office of the Attending Physician.

2 (H) The Office of Compliance.

3 (4) GROUP HEALTH PLAN.—The term “group  
4 health plan” means any plan or arrangement which  
5 provides, or pays the cost of, health benefits that are  
6 actuarially equivalent to the benefits provided under  
7 the standard option service benefit plan offered  
8 under chapter 89 of title 5, United States Code.

9 (5) INSTRUMENTALITY OF THE LEGISLATIVE  
10 BRANCH.—The term “instrumentality of the legisla-  
11 tive branch” means the following:

12 (A) The General Accounting Office.

13 (B) The Government Printing Office.

14 (C) The Library of Congress.

15 **SEC. 3. GENERAL REQUIREMENTS CONCERNING CON-**  
16 **TRACTS COVERED UNDER THIS ACT.**

17 (a) IN GENERAL.—Any contract made or entered  
18 into by any entity or instrumentality of the legislative  
19 branch of the Federal Government shall contain provisions  
20 that require that—

21 (1) all persons employed by the contractor in  
22 the performance of the contract or at the location of  
23 the leasehold be offered health insurance coverage  
24 under a group health plan; and

1           (2) with respect to the premiums for such plan  
2 with respect to each employee—

3           (A) the contractor pay a percentage equal  
4 to the average Government contribution re-  
5 quired under section 8906 of title 5, United  
6 States Code, for health insurance coverage pro-  
7 vided under chapter 89 of such title; and

8           (B) the employee pay the remainder of  
9 such premiums.

10 (b) OPTION TO PURCHASE.—

11           (1) IN GENERAL.—Notwithstanding section  
12 8914 of title 5, United States Code, a contractor to  
13 which subsection (a) applies that does not offer  
14 health insurance coverage under a group health plan  
15 to its employees on the date on which the contract  
16 is to take effect, may obtain any health benefits plan  
17 offered under chapter 89 of title 5, United States  
18 Code, for all persons employed by the contractor in  
19 the performance of the contract or at the location of  
20 the leasehold. Any contractor that exercises the op-  
21 tion to purchase such coverage shall make any Gov-  
22 ernment contributions required for such coverage  
23 under section 8906 of title 5, United States Code,  
24 with the employee paying the contribution required  
25 for such coverage for Federal employees.

1           (2) CALCULATION OF AMOUNT OF PREMIUMS.—

2           Subject to paragraph (3)(B), the Director of the Of-  
3           fice of Personnel Management shall calculate the  
4           amount of premiums for health benefits plans made  
5           available to contractor employees under paragraph  
6           (1) separately from Federal employees and annu-  
7           itants enrolled in such plans.

8           (3) REVIEW BY OFFICE OF PERSONNEL MAN-  
9           AGEMENT.—

10           (A) ANNUAL REVIEW.—The Director of  
11           the Office of Personnel Management shall re-  
12           view at the end of each calendar year whether  
13           the nonapplication of paragraph (2) would re-  
14           sult in higher adverse selection, risk segmenta-  
15           tion in, or a substantial increase in premiums  
16           for such health benefits plans. Such review shall  
17           include a study by the Director of the health  
18           care utilization and risks of contractor employ-  
19           ees. The Director shall submit a report to the  
20           President, the Speaker of the House of Rep-  
21           resentatives, and the President pro tempore of  
22           the Senate which shall contain the results of  
23           such review.

24           (B) NONAPPLICATION OF PARAGRAPH  
25           (2).—Beginning in the calendar year following a

1 certification by the Director of the Office of  
2 Personnel Management under subparagraph  
3 (A) that the nonapplication of paragraph (2)  
4 will not result in higher adverse selection, risk  
5 segmentation in, or a substantial increase in  
6 premiums for such health benefits plans, para-  
7 graph (2) shall not apply.

8 (4) REQUIREMENT OF OPM.—The Director of  
9 the Office of Personnel Management shall take such  
10 actions as are appropriate to enable a contractor de-  
11 scribed in paragraph (1) to obtain the health insur-  
12 ance described in such paragraph.

13 (c) ADMINISTRATIVE FUNCTIONS.—

14 (1) IN GENERAL.—The office within the entity  
15 or instrumentality of the legislative branch of the  
16 Federal Government which administers the health  
17 benefits plans for Federal employees of such entity  
18 or instrumentality shall perform such tasks with re-  
19 spect to plan coverage purchased under subsection  
20 (b) by contractors with contracts with such entity or  
21 instrumentality.

22 (2) WAIVER AUTHORITY.—Waiver of the re-  
23 quirements of this Act may be made by such office  
24 upon application.

1 **SEC. 4. EFFECTIVE DATE.**

2 (a) IN GENERAL.—This Act shall apply with respect  
3 to contracts executed, modified, or renewed on or after  
4 January 1, 1998.

5 (b) TERMINATION.—

6 (1) IN GENERAL.—This Act shall not apply on  
7 and after October 1, 2002.

8 (2) TRANSITION RULE.—In the case of any con-  
9 tract under which, pursuant to this Act, health in-  
10 surance coverage is provided for calendar year 2002,  
11 the contractor and the employees shall, notwith-  
12 standing section 3(a)(2), pay  $1\frac{1}{3}$  of the otherwise  
13 required monthly premium for such coverage in  
14 monthly installments during the period beginning on  
15 January 1, 2002, and ending before October 1,  
16 2002.

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