

105TH CONGRESS  
2D SESSION

# S. 1969

To provide health benefits for workers and their families.

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## IN THE SENATE OF THE UNITED STATES

APRIL 22, 1998

Mr. KENNEDY introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

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## A BILL

To provide health benefits for workers and their families.

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 “Health Care for Work-  
5       ing Families Act”.

6       **SEC. 2. FINDINGS.**

7       Congress finds that—

8               (1) every industrialized country in the world ex-  
9       cept the United States guarantees the fundamental  
10       right to health care to all its citizens;

11               (2) 41,000,000 Americans are without health  
12       insurance coverage;

1           (3) the number of uninsured Americans is  
2 growing every year;

3           (4) the vast majority of uninsured Americans  
4 are workers or dependents of workers;

5           (5) for more than half a century, Congress has  
6 enacted laws to ensure that work is appropriately re-  
7 warded, including laws establishing a minimum wage  
8 and a 40 hour work week, laws ensuring safe and  
9 healthy working conditions, and laws requiring em-  
10 ployers to contribute to the cost of retirement secu-  
11 rity through Social Security and Medicare; and

12           (6) as the United States approaches the 21st  
13 century, it is time to enact requirements guarantee-  
14 ing that jobs carry with them affordable, adequate  
15 health insurance benefits.

16 **SEC. 3. HEALTH BENEFITS FOR EMPLOYEES AND THEIR**  
17 **FAMILIES.**

18           (a) IN GENERAL.—The Fair Labor Standards Act of  
19 1938 (29 U.S.C. 201 et seq.) is amended by adding at  
20 the end thereof the following new title:

21 **“TITLE II—HEALTH BENEFITS**  
22 **FOR EMPLOYEES AND THEIR**  
23 **FAMILIES**

24 **“SEC. 201. HEALTH BENEFITS.**

25           “(a) OFFER TO ENROLL.—

1           “(1) IN GENERAL.—Each large employer, in ac-  
 2 cordance with this title, shall offer to each of its em-  
 3 ployees the opportunity to enroll in a qualifying  
 4 health benefit plan that provides coverage for the  
 5 employee and the family of the employee.

6           “(2) QUALIFYING HEALTH BENEFIT PLAN.—  
 7 For purposes of this title, the term ‘qualifying  
 8 health benefit plan’ means a plan that provides ben-  
 9 efits for health care items and services that are  
 10 actuarially equivalent or greater in value than the ben-  
 11 efits offered as of January 1, 1998 under the Blue  
 12 Cross/Blue Shield Standard Plan provided under the  
 13 Federal Employees Health Benefit Program under  
 14 chapter 89 of title 5, United States Code, and that  
 15 meets the requirements of title XXVII of the Public  
 16 Health Service Act applicable to the plan.

17           “(b) CONTRIBUTION AND WITHHOLDING.—

18           “(1) IN GENERAL.—Each large employer, in ac-  
 19 cordance with this title, shall—

20                   “(A) contribute to the cost of any qualify-  
 21 ing health benefit plan offered to its employees  
 22 under subsection (a); and

23                   “(B) withhold from the wages of an em-  
 24 ployee, the employee share of the premium as-

1           sessed for coverage under the qualifying health  
2           benefit plan.

3           “(2) REQUIRED CONTRIBUTION.—Except as  
4           provided in paragraphs (3) and (4), the portion of  
5           the total premium to be paid by a large employer  
6           under paragraph (1)(A) shall not be less than the  
7           portion of the total premium that the Federal Gov-  
8           ernment contributes under the Blue Cross/Blue  
9           Shield Standard Plan provided under the Federal  
10          Employees Health Benefit Program under chapter  
11          89 of title 5, United States Code.

12          “(3) PART-TIME EMPLOYEES.—With respect to  
13          an employee who works less than 30 hours per week,  
14          the employer contribution required under paragraph  
15          (2) shall be equal to the product of—

16                  “(A) the contribution required under para-  
17                  graph (2); and

18                  “(B) the ratio of number of hours worker  
19                  by the employee in a typical week to 30 hours.

20          “(4) LIMITATION.—No employer contribution  
21          shall be required under this subsection with respect  
22          to an employer who works less than 10 hours per  
23          week.

24          “(c) EMPLOYEE OBLIGATION UNDER CERTAIN PRO-  
25          GRAMS.—

1           “(1) IN GENERAL.—With respect to an em-  
2           ployee covered under a Federal health insurance pro-  
3           gram (as defined in paragraph (3)), such employee  
4           shall accept an offer of health insurance coverage  
5           under subsection (a) and agree to the appropriate  
6           payroll withholdings under subsection (b)(1)(B) for  
7           such coverage or provide for the payment of the em-  
8           ployee share of premiums under paragraph (2), ex-  
9           cept that this subsection shall not apply—

10                   “(A) with respect to an employee who is  
11                   otherwise covered under an employment-based  
12                   qualified health benefit plan; or

13                   “(B) with respect to the coverage of a fam-  
14                   ily member of an employee if the employee does  
15                   not elect coverage for such family member and  
16                   the family member is otherwise covered under  
17                   an employment-based qualified health benefit  
18                   plan.

19           “(2) PAYMENT OF PREMIUMS.—At the request  
20           of an employee to which paragraph (1) applies, the  
21           relevant Federal administrator of the Federal health  
22           insurance program involved shall provide for the  
23           payment of the employee share of the premium as-  
24           sessed for coverage under the qualifying health bene-  
25           fit plan involved. For purposes of title XIX of the

1 Social Security Act (42 U.S.C. 1396 et seq.), the re-  
2 quirement of this paragraph shall be deemed to be  
3 a requirement under the appropriate State plan  
4 under such title XIX.

5 “(3) FEDERAL HEALTH INSURANCE PRO-  
6 GRAM.—As used in this subsection, the term ‘Fed-  
7 eral health insurance program’ means—

8 “(A) the medicare or medicaid program  
9 under title XVIII or XIX of the Social Security  
10 Act (42 U.S.C. 1395 or 1396 et seq.);

11 “(B) the Federal employee health benefit  
12 program under chapter 89 of title V, United  
13 States Code; or

14 “(C) the Civilian Health and Medical Pro-  
15 gram of the Uniformed Services (CHAMPUS),  
16 as defined in section 1073(4) of title 10, United  
17 States Code.

18 “(d) LARGE EMPLOYERS.—

19 “(1) IN GENERAL.—The provisions of this title  
20 shall only apply to large employers.

21 “(2) DEFINITION.—

22 “(A) IN GENERAL.—As used in paragraph  
23 (1), the term ‘large employer’ means, with re-  
24 spect to a calendar year and plan year, an em-  
25 ployer that employed an average of at least 50

1 full-time employees on business days during the  
2 preceding calendar year and who employs not  
3 less than 50 employees on the first day of the  
4 plan year.

5 “(B) EXCEPTION.—The provisions of this  
6 title shall apply with respect to an employer  
7 that is not a large employer under subpara-  
8 graph (A) if the majority of the services per-  
9 formed by such employer consist of services per-  
10 formed on behalf of a single large employer.

11 “(3) CONTRACT WORKERS.—For purposes of  
12 this title, a contract worker of an employer shall be  
13 considered to be an employee of the employer.

14 **“SEC. 202. REQUIREMENTS RELATING TO TIMING OF COV-  
15 ERAGE AND WITHHOLDING.**

16 “(a) DATE OF INITIAL COVERAGE.—In the case of  
17 an employee enrolled under a qualifying health benefit  
18 plan provided by a large employer, the coverage under the  
19 plan must begin not later than 30 days after the day on  
20 which the employee first performs an hour of service as  
21 an employee of that employer.

22 “(b) WITHHOLDING PERMITTED.—No provision of  
23 State law shall prevent an employer of an employee en-  
24 rolled under a qualifying health benefit plan established  
25 under this title from withholding the amount of any pre-

1 mium due by the employee from the payroll of the em-  
2 ployee.

3 **“SEC. 203. ENFORCEMENT.**

4 “(a) CIVIL MONEY PENALTY AGAINST PRIVATE EM-  
5 PLOYERS.—The provisions of section 502—

6 “(1) relating to the commencement of civil ac-  
7 tions by the Secretary under subsection (a) of such  
8 section;

9 “(2) relating to civil money penalties under sub-  
10 section (c)(2) of such section; and

11 “(3) relating to the procedures for assessing,  
12 collecting and the judicial review of such civil money  
13 penalties;

14 shall apply with respect to any large employer that does  
15 not comply with this title.

16 “(b) INJUNCTIVE RELIEF.—The provisions of section  
17 17 shall apply with respect to violations of this title.

18 **“SEC. 204. PREEMPTION.**

19 “Nothing in this title shall be construed to prevent  
20 a State from establishing, implementing, or continuing in  
21 effect standards and requirements relating to employer  
22 provided health insurance coverage unless such standards  
23 and requirements prevent the application of a require-  
24 ments of this title.

1 **“SEC. 205. DEFINITION AND EFFECTIVE DATE.**

2       “(a) DEFINITION.—In this title the terms ‘family’  
3 and ‘family member’ mean, with respect to an employee,  
4 the spouse and children (including adopted children) of  
5 the employee.

6       “(b) EFFECTIVE DATE.—

7           “(1) IN GENERAL.—Except as provided in para-  
8 graph (2), this title shall apply with respect to em-  
9 ployers on January 1, 1999.

10          “(2) COLLECTIVE BARGAINING AGREEMENTS.—

11       This title shall apply with respect to employees cov-  
12 ered under a collective bargaining agreement on the  
13 first day of the first plan year beginning after the  
14 date of enactment of this Act, or January 1, 1999,  
15 whichever occurs later.”.

16       (b) CONFORMING AMENDMENTS.—

17           (1) The Fair Labor Standards Act of 1938 is  
18 amended by striking out the first section and insert-  
19 ing in lieu thereof the following:

20 **“SECTION 1. SHORT TITLE.**

21       “‘This Act may be cited as the ‘Fair Labor Standards  
22 Act of 1938’.

23 **“TITLE I—WAGES AND HOURS”.**

24           (2) The Fair Labor Standards Act of 1938 is  
25 amended by striking out “this Act” each place it oc-  
26 curs and inserting in lieu thereof “this title”.

