

106TH CONGRESS
2D SESSION

H. R. 4030

To enhance benefits for active and retired military personnel.

IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 2000

Mr. SMITH of Washington introduced the following bill; which was referred to the Committee on Armed Services, and in addition to the Committees on Ways and Means, Commerce, and Government Reform, 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 enhance benefits for active and retired military personnel.

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 “Enhancement of Mili-
5 tary Benefits Act”.

6 **SEC. 2. 2001 PAY RAISE FOR MEMBERS OF THE UNIFORMED**
7 **SERVICES.**

8 (a) WAIVER OF SECTION 1009 ADJUSTMENT.—The
9 adjustment to become effective during fiscal year 2001 re-
10 quired by section 1009 of title 37, United States Code,

1 in the rates of monthly basic pay authorized members of
2 the uniformed services shall not be made.

3 (b) INCREASE IN BASIC PAY.—Effective on January
4 1, 2001, the rates of monthly basic pay for members of
5 the uniformed services are increased by 4.8 percent.

6 **SEC. 3. EXPANSION OF MEDICARE SUBVENTION PROJECT**
7 **FOR MILITARY RETIREES AND DEPENDENTS.**

8 (a) EXPANSION OF SITES.—

9 (1) EXPANSION TO 16 SITES.—Effective Janu-
10 ary 1, 2001, subsection (b)(2) of section 1896 of the
11 Social Security Act (42 U.S.C. 1395ggg) is amended
12 by striking “6” and inserting “16”.

13 (2) FUTURE REPEAL OF LIMITATION ON NUM-
14 BER OF SITES.—Effective October 1, 2003, para-
15 graph (2) of section 1896(b) of such Act is amended
16 to read as follows:

17 “(2) LOCATION OF SITES.—The program shall
18 be conducted in any site designated jointly by the
19 administering Secretaries.”.

20 (b) MAKING PROJECT PERMANENT; CHANGES IN
21 PROJECT REFERENCES.—

22 (1) ELIMINATION OF TIME LIMITATION.—Para-
23 graph (4) of section 1896(b) of such Act is repealed.

1 (2) TREATMENT OF CAPS.—Subsection (i)(4) of
2 section 1896 of such Act is amended by adding at
3 the end the following:

4 “‘This paragraph shall not apply after calendar year
5 2001.’”.

6 (3) CONFORMING CHANGES OF REFERENCES TO
7 DEMONSTRATION PROJECT.—Section 1896 of such
8 Act is further amended—

9 (A) in the heading, by striking “DEM-
10 ONSTRATION PROJECT” and inserting “PRO-
11 GRAM”;

12 (B) by amending subsection (a)(2) to read
13 as follows:

14 “(2) PROGRAM.—The term ‘program’ means
15 the program carried out under this section.”;

16 (C) in the heading to subsection (b), by
17 striking “DEMONSTRATION PROJECT” and in-
18 serting “PROGRAM”;

19 (D) by striking “demonstration project” or
20 “project” each place either appears and insert-
21 ing “program”;

22 (E) in subsection (k)(2)—

23 (i) by striking “EXTENSION AND EX-
24 PANSION OF DEMONSTRATION PROJECT”
25 and inserting “PROGRAM”; and

1 (ii) by striking subparagraphs (A)
2 through (C) and inserting the following:

3 “(A) whether there is a cost to the health
4 care program under this title in conducting the
5 program under this section; and

6 “(B) whether the terms and conditions of
7 the program should be modified.”.

8 (4) ADDITIONAL CONFORMING AMENDMENT.—
9 Paragraph (5) of section 1896(b) of such Act is re-
10 pealed.

11 (c) PERMITTING PAYMENT ON A FEE-FOR-SERVICE
12 BASIS.—

13 (1) IN GENERAL.—Section 1896 of the Social
14 Security Act is further amended by adding at the
15 end the following new subsection:

16 “(1) PAYMENT ON A FEE-FOR-SERVICE BASIS.—In-
17 stead of the payment method described in subsection (i)(1)
18 and in the case of individuals who are not enrolled in the
19 program in the manner described in subsection (d)(1), the
20 Secretary may reimburse the Secretary of Defense for
21 services provided under the program at a rate that does
22 not exceed the rate of payment that would otherwise be
23 made under this title for such services if sections 1814(c)
24 and 1835(d), and paragraphs (2) and (3) of section
25 1862(a), did not apply.”.

1 (2) CONFORMING AMENDMENTS.—Such section
2 is further amended—

3 (A) in subsections (b)(1)(B)(v) and
4 (b)(1)(B)(viii)(I), by inserting “or subsection
5 (l)” after “subsection (i)”;
6

7 (B) in subsection (b)(2), by adding at the
8 end the following: “If feasible, at least one of
9 the sites shall be conducted using the fee-for-
10 service reimbursement method described in sub-
11 section (l).”;

12 (C) in subsection (d)(1)(A), by inserting
13 “(insofar as it provides for the enrollment of in-
14 dividuals and payment on the basis described in
15 subsection (i))” before “shall meet”;

16 (D) in subsection (d)(1)(A), by inserting
17 “and the program (insofar as it provides for
18 payment for facility services on the basis de-
19 scribed in subsection (l)) shall meet all require-
20 ments for such facilities under this title” after
21 “medicare payments”;

22 (E) in subsection (d)(2), by inserting “, in-
23 sofar as it provides for the enrollment of indi-
24 viduals and payment on the basis described in
subsection (i),” before “shall comply”;

1 (F) in subsection (g)(1), by inserting “, in-
2 sofar as it provides for the enrollment of indi-
3 viduals and payment on the basis described in
4 subsection (i),” before “the Secretary of De-
5 fense”;

6 (G) in subsection (i)(1), by inserting “and
7 subsection (l)” after “of this subsection”;

8 (H) in subsection (i)(4), by inserting “and
9 subsection (l)” after “under this subsection”;
10 and

11 (I) in subsection (j)(2)(B)(ii), by inserting
12 “or subsection (l)” after “subsection (i)(1)”.

13 (3) EFFECTIVE DATE.—The amendments made
14 by this subsection take effect on January 1, 2001,
15 and apply to services furnished on or after such
16 date.

17 (d) ELIMINATION OF RESTRICTION ON ELIGI-
18 BILITY.—Section 1896(b)(1) of such Act is amended by
19 adding at the end the following new subparagraph:

20 “(C) ELIMINATION OF RESTRICTIVE POL-
21 ICY.—If the enrollment capacity in the program
22 has been reached at a particular site designated
23 under paragraph (2) and the Secretary there-
24 fore limits enrollment at the site to medicare-
25 eligible military retirees and dependents who

1 are enrolled in TRICARE Prime (as defined for
2 purposes of chapter 55 of title 10, United
3 States Code) at the site immediately before at-
4 taining 65 years of age, participation in the
5 program by a retiree or dependent at such site
6 shall not be restricted based on whether the re-
7 tiree or dependent has a civilian primary care
8 manager instead of a military primary care
9 manager.”.

10 (e) MEDIGAP PROTECTION FOR ENROLLEES.—Sec-
11 tion 1896 of such Act is further amended by adding at
12 the end the following new subsection:

13 “(m) MEDIGAP PROTECTION FOR ENROLLEES.—(1)
14 Subject to paragraph (2), the provisions of section
15 1882(s)(3) (other than clauses (i) through (iv) of subpara-
16 graph (B)) and 1882(s)(4) of the Social Security Act shall
17 apply to any enrollment (and termination of enrollment)
18 in the program (for which payment is made on the basis
19 described in subsection (i)) in the same manner as they
20 apply to enrollment (and termination of enrollment) with
21 a Medicare+Choice organization in a Medicare+Choice
22 plan.

23 “(2) In applying paragraph (1)—

24 “(A) in the case of enrollments occurring before
25 January 1, 2001, any reference in clause (v) or (vi)

1 of section 1882(s)(3)(B) of such Act to 12 months
2 is deemed a reference to the period ending on De-
3 cember 31, 2001; and

4 “(B) the notification required under section
5 1882(s)(3)(D) of such Act shall be provided in a
6 manner specified by the Secretary of Defense in con-
7 sultation with the Director of the Office of Per-
8 sonnel Management.”.

9 **SEC. 4. INCREASE IN MILITARY SURVIVOR BENEFIT PLAN**
10 **ANNUITIES FOR BENEFICIARIES 62 YEARS OF**
11 **AGE AND OLDER.**

12 (a) REPEAL OF ANNUITY REDUCTION AT AGE 62.—
13 (1) Subsection (a) of section 1451 of title 10, United
14 States Code, is amended to read as follows:

15 “(a) COMPUTATION OF ANNUITY FOR A SPOUSE,
16 FORMER SPOUSE, OR CHILD.—

17 “(1) STANDARD ANNUITY.—In the case of a
18 standard annuity provided to a beneficiary under
19 section 1450(a) of this title (other than under sec-
20 tion 1450(a)(4)), the monthly annuity shall be the
21 amount equal to 55 percent of the base amount.

22 “(2) RESERVE-COMPONENT ANNUITY.—In the
23 case of a reserve-component annuity provided to a
24 beneficiary under section 1450(a) of this title (other
25 than under section 1450(a)(4)), the monthly annuity

1 payable to the beneficiary shall be the amount equal
2 to a percentage of the base amount that—

3 “(A) is less than 55 percent; and

4 “(B) is determined under subsection (f).”.

5 (2) Subsection (c)(1) of such section is amended to
6 read as follows:

7 “(1) IN GENERAL.—In the case of an annuity
8 provided under section 1448(d) or 1448(f) of this
9 title, the amount of the monthly annuity shall be the
10 amount equal to 55 percent of the retired pay to
11 which the member or former member would have
12 been entitled if the member or former member had
13 been entitled to that pay based upon his years of ac-
14 tive service when he died.”.

15 (3) Subsections (d) and (e) of such section are re-
16 pealed.

17 (b) TERMINATION OF SUPPLEMENTAL SBP PRO-
18 GRAM.—The Secretary of Defense shall terminate the
19 Supplemental Survivor Benefit Plan program under sub-
20 chapter III of chapter 73 of title 10, United States Code,
21 effective on the date specified in subsection (d). No annu-
22 ity may be paid under that subchapter, and no reduction
23 in retired pay may be made under that subchapter, for
24 any period on or after that date.

1 (c) RECOMPUTATION OF ANNUITIES.—Effective as of
2 the date specified in subsection (d), the Secretary con-
3 cerned shall recompute annuities payable under sub-
4 chapter II of chapter 73 of title 10, United States Code,
5 as necessary so that each such annuity is in the amount
6 that would be in effect if initially computed under section
7 1450 of title 10, United States Code, as amended by sub-
8 section (a).

9 (d) EFFECTIVE DATE.—The amendments made by
10 subsection (a) shall take effect on October 1, 2000, and
11 shall apply to payments under chapter 73 of title 10,
12 United States Code, for months beginning on or after that
13 date.

14 **SEC. 5. INCLUSION OF UNIFORMED SERVICES RETIREES**
15 **AND DEPENDENTS IN FEDERAL EMPLOYEES**
16 **HEALTH BENEFITS PROGRAM.**

17 (a) IN GENERAL.—Chapter 55 of title 10, United
18 States Code, is amended by inserting after section 1108
19 the following new section:

20 **“§ 1108a. Health care coverage through Federal Em-**
21 **ployees Health Benefits program: retirees**
22 **and dependents**

23 “(a) FEHBP OPTION.—The Secretary of Defense,
24 after consulting with the other administering Secretaries,
25 shall enter into an agreement with the Office of Personnel

1 Management under which eligible beneficiaries described
2 in subsection (b) may enroll in health benefits plans of-
3 fered through the Federal Employees Health Benefits pro-
4 gram under chapter 89 of title 5.

5 “(b) ELIGIBLE BENEFICIARIES; COVERAGE.—(1) An
6 eligible beneficiary under this subsection is—

7 “(A) a member or former member of the uni-
8 formed services described in section 1074(b) of this
9 title; or

10 “(B) an individual who is a dependent of such
11 a member or former member.

12 “(2) Eligible beneficiaries may enroll in a Federal
13 Employees Health Benefit plan under chapter 89 of title
14 5 under this section for self-only coverage or for self and
15 family coverage.

16 “(3) A person eligible for coverage under this sub-
17 section shall not be required to satisfy any eligibility cri-
18 teria specified in chapter 89 of title 5 as a condition for
19 enrollment in health benefits plans offered through the
20 Federal Employees Health Benefits program under this
21 section.

22 “(c) SEPARATE RISK POOLS; CHARGES.—(1) The
23 Director of the Office of Personnel Management shall re-
24 quire health benefits plans under chapter 89 of title 5 that
25 participate under this section to maintain a separate risk

1 pool for purposes of establishing premium rates for eligible
2 beneficiaries who enroll in such a plan in accordance with
3 this section.

4 “(2) The Director shall determine total subscription
5 charges for self only or for family coverage for eligible
6 beneficiaries who enroll in a health benefits plan under
7 chapter 89 of title 5 in accordance with this section. The
8 subscription charges shall include premium charges paid
9 to the plan and amounts described in section 8906(c) of
10 title 5 for administrative expenses and contingency re-
11 serves.

12 “(d) GOVERNMENT CONTRIBUTIONS.—The Secretary
13 of Defense shall be responsible for the Government con-
14 tribution for an eligible beneficiary who enrolls in a health
15 benefits plan under chapter 89 of title 5 in accordance
16 with this section, except that the amount of the contribu-
17 tion may not exceed the amount of the Government con-
18 tribution which would be payable if the electing beneficiary
19 were an employee (as defined for purposes of such chap-
20 ter) enrolled in the same health benefits plan and level
21 of benefits.”.

22 (b) CONFORMING AMENDMENTS.—(1) The table of
23 sections at the beginning of chapter 55 of title 10, United
24 States Code, is amended by inserting after the item relat-
25 ing to section 1108 the following new item:

“1108a. Health care coverage through Federal Employees Health Benefits program: retirees and dependents.”.

1 (2) Chapter 89 of title 5, United States Code, is
2 amended in section 8905(d) by inserting “or 1108a” after
3 “section 1108”.

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