

106TH CONGRESS
2^D SESSION

S. 3284

To amend title 5, United States Code, to establish a national health program administered by the Office of Personnel Management to offer Federal employee health benefits plans to individuals who are not Federal employees, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 15 (legislative day, SEPTEMBER 22), 2000

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

A BILL

To amend title 5, United States Code, to establish a national health program administered by the Office of Personnel Management to offer Federal employee health benefits plans to individuals who are not Federal employees, and for other purposes.

1 Be it enacted by the Senate and House of Representatives
2 of the United States of America in Congress assembled

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the ``Offering People Trust
5 Insurance Options Nationwide Act of 2000''.

1 **SEC. 2. OPTION HEALTH INSURANCE.**

2 Subpart G of part III of title 5, United States Code
3 is amended by adding at the end the following:

4 **“CHAPTER 90A—HEALTH INSURANCE FOR**
5 **NON-FEDERAL EMPLOYEES**

``Sec.
``9051. Definitions.
``9052. Health insurance for non-Federal employees.
``9053. Contract requirement.
``9054. Eligibility.
``9055. Alternative conditions to Federal employee plans.
``9056. Coordination with social security benefits.
``9057. Non-Federal employer participation.

6 **“§9051. Definitions**

7 ``In this chapter—

8 ``(1) the terms defined under section 8901 shall
9 have the meanings given such terms under that sec-
10 tion; and

11 ``(2) the term ‘Office’ means the Office of Per-
12 sonnel Management.

13 **“§9052. Health insurance for non-Federal employees**

14 ``(a) The Office of Personnel Management shall ad-
15 minister a health insurance program for non-Federal em-
16 ployees in accordance with this chapter.

17 ``(b) Except as provided under this chapter, the O-
18 fice shall prescribe regulations to apply the provisio-
19 ns of chapter 89 to the greatest extent practicable to eli-
20 gible individuals covered under this chapter.

1 “(c) In no event shall the enactment of this chap
2 result in-

3 “(1) any increase in the level of individual
4 Government contributions required under chapter
5 89, including copayments or deductibles;

6 “(2) any decrease in the types of benefits o
7 fered under chapter 89; or

8 “(3) any other change that would adversely af-
9 fect the coverage afforded under chapter 89 to em
10 ployees and annuitants and members of family
11 under that chapter.

12 **“§ 9053. Contract requirement**

13 “(a) Each contract entered into under section 890
14 shall require a carrier to offer to eligible individual
15 this chapter, throughout each term for which the contr
16 remains effective, the same benefits (subject to the
17 maximums, limitations, exclusions, and other simila
18 terms or conditions) as would be offered under such c
19 tract or applicable health benefits plan to employees
20 nuitants, and members of family.

21 “(b)(1) The Office may waive the requirements of
22 this subsection, if the Office determines, based on a
23 tion submitted by a carrier that-

24 “(A) the carrier is unable to offer the applica
25 health benefits plan because of a limitation in t

1 capacity of the plan to deliver services or assure
 2 nancial solvency;

3 `` (B) the applicable health benefits plan is n
 4 sponsored by a carrier licensed under applicable
 5 State law; or

6 `` (C) bona fide enrollment restrictions make the
 7 application of this chapter inappropriate, includi
 8 restrictions common to plans which are limited to i
 9 dividuals having a past or current employment rela
 10 tionship with a particular agency or other authori
 11 of the Government.

12 `` (2) The Office may require a petition under th
 13 subsection to include—

14 `` (A) a description of the efforts the carri
 15 proposes to take in order to offer the applicab
 16 health benefits plan under this chapter; and

17 `` (B) the proposed date for offering such a
 18 health benefits plan.

19 `` (3) A waiver under this subsection may be for an
 20 period determined by the Office. The Office may gran
 21 subsequent waivers under this section.

22 **“§ 9054. Eligibility**

23 `` An individual shall be eligible to enroll in a
 24 under this chapter, unless the individual is enrolled
 25 gible to enroll in a plan under chapter 89.

1 **“§ 9055. Alternative conditions to Federal employee**
2 **plans**

3 “(a) For purposes of enrollment in a health benefit
4 plan under this chapter, an individual who had coverage
5 under a health insurance plan and is not a qualified benefici-
6 ficiary as defined under section 4980B(g)(1) of the Internal
7 Revenue Code of 1986 shall be treated in a similar
8 manner as an individual who begins employment as an em-
9 ployee under chapter 89.

10 “(b) In the administration of this chapter, covered
11 individuals under this chapter shall be in a risk pool
12 rate from covered individuals under chapter 89.

13 “(c)(1) Each contract under this chapter may include
14 a preexisting condition exclusion as defined under section
15 9801(b)(1) of the Internal Revenue Code of 1986.

16 “(2)(A) The preexisting condition exclusion under
17 this subsection shall provide for coverage of a preexisting
18 condition to begin not more than 1 year after the date
19 of coverage of an individual under a health benefits plan
20 reduced by 1 month for each month that individual was
21 covered under a health insurance plan immediately pre-
22 ceding the date the individual submitted an application for
23 coverage under this chapter.

24 “(B) For purposes of this paragraph, a lapse in cover-
25 erage of not more than 31 days immediately preceding the

1 date of the submission of an application for coverage
2 not be considered a lapse in continuous coverage.

3 “(d)(1) Rates charged and premiums paid for a
4 health benefits plan under this chapter—

5 “(A) may be adjusted and differ from such
6 rates charged and premiums paid for the same
7 health benefits plan offered under chapter 89;

8 “(B) shall be negotiated in the same manner as
9 negotiated under chapter 89; and

10 “(C) shall be adjusted to cover the administra
11 tive costs of this chapter.

12 “(2) In determining rates and premiums under this
13 chapter—

14 “(A) the age of covered individuals may be con
15 sidered; and

16 “(B) rebates or lower rates and premiums shall
17 be set to encourage longevity of coverage.

18 “(e) No Government contribution shall be made for
19 any covered individual under this chapter.

20 “(f) If an individual who is enrolled in a health
21 fits plan under this chapter terminates the enrollment,
22 individual shall not be eligible for reenrollment until
23 first open enrollment period following 6 months after
24 date of such termination.

1 **“§ 9056. Coordination with social security benefits**

2 “Benefits under this chapter shall, with respect to
3 individual who is entitled to benefits under part A of
4 XVIII of the Social Security Act, be offered (for use
5 coordination with those social security benefits) to
6 same extent and in the same manner as if coverage were
7 under chapter 89.

8 **“§ 9057. Non-Federal employer participation**

9 “(a) In this section the term—

10 “(1) ‘employee’, notwithstanding section 9051,
11 means an employee of a non-Federal employer; and

12 “(2) ‘non-Federal employer’ means an employer
13 that is not the Federal Government.

14 “(b)(1) The Office shall prescribe regulations p
15 roviding for non-Federal employer participation under th
16 chapter, including—

17 “(A) the offering of health benefits plans und
18 this chapter to employees through participating non
19 Federal employers; and

20 “(B) a requirement for participating non-Fed-
21 eral employer contributions to the payment of pre
22 miums for employees who enroll in a health benefit
23 plan under this chapter.

24 “(2) A participating non-Federal employer shall pa
25 an employer contribution for the premiums of an employe
26 or other applicable covered individual as follows:

1 ``(A) A non-Federal employer that employs not
2 more than 2 employees shall not be required to pay
3 an employer contribution.

4 ``(B) A non-Federal employer that employs
5 more than 2 and not more than 25 employees shall
6 pay not less than 30 percent of the total premiums

7 ``(C) A non-Federal employer that employs
8 more than 25 and not more than 50 employees shall
9 pay not less than 40 percent of the total premiums

10 ``(D) A non-Federal employer that employs
11 more than 50 employees shall pay not less than 50
12 percent of the total premiums.

13 ``(3) Notwithstanding paragraph (2) (B), (C), or (D)
14 a non-Federal employer that employs more than 2 employ-
15 ees shall pay not less than 20 percent of the total
16 miums with respect to the first year in which that e
17 ployer participates under this chapter.''

18 **SEC. 3. TECHNICAL AND CONFORMING AMENDMENTS.**

19 (a) CONTRACT REQUIREMENT UNDER CHAPTER
20 89.—Section 8902 of title 5, United States Code, is
21 amended by adding after subsection (o) the following:

22 ``(p) Each contract under this chapter shall inclu
23 a provision that the carrier shall offer any health be
24 plan as required under chapter 90A.''

1 (b) TABLE OF CHAPTERS.—The table of chapters for
2 part III of title 5, United States Code, is amended by
3 inserting after the item relating to chapter 90 the follow-
4 **“90A. Health Insurance for Non-Federal Employees9051”.**

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

5 This Act and the amendments made by this Act shall
6 take effect on the date of enactment of this Act and s
7 apply to contracts that take effect with respect to cal
8 year 2002 and each calendar year thereafter.