

107TH CONGRESS  
1ST SESSION

# S. 651

To provide for the establishment of an assistance program for health insurance consumers.

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IN THE SENATE OF THE UNITED STATES

MARCH 29, 2001

Mr. REED (for himself, Mr. JEFFORDS, Ms. MIKULSKI, Ms. COLLINS, Mr. WELLSTONE, and Mrs. CLINTON) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To provide for the establishment of an assistance program for health insurance consumers.

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 Con-  
5 sumers Assistance Fund Act”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) All consumers need information and assist-  
9 ance to understand their health insurance choices

1 and to facilitate effective and efficient access to  
2 needed health services. Many do not understand  
3 their health care coverage, despite the current ef-  
4 forts of both the public and private sectors.

5 (2) Federally initiated health care consumer as-  
6 sistance and information programs targeted to con-  
7 sumers of long-term care and to medicare bene-  
8 ficiaries under title XVIII of the Social Security Act  
9 (42 U.S.C. 1395 et seq.) are effective, as are a num-  
10 ber of State and local consumer assistance initia-  
11 tives.

12 (3) The principles, policies, and practices of  
13 health plans for providing safe, effective, and acces-  
14 sible health care can be enriched by State-based col-  
15 laborative, independent education, problem resolu-  
16 tion, and feedback programs. Health care consumer  
17 assistance programs have proven their ability to  
18 meet this challenge.

19 (4) Many states have created health care con-  
20 sumer assistance programs. The Federal Govern-  
21 ment can assist the States in developing and main-  
22 taining effective health care consumer assistance  
23 programs.

1 **SEC. 3. GRANTS.**

2 (a) IN GENERAL.—The Secretary of Health and  
3 Human Services (referred to in this Act as the “Sec-  
4 retary”) shall establish a fund, to be known as the  
5 “Health Care Consumer Assistance Fund”, to be used to  
6 award grants to eligible States to enable such States to  
7 carry out consumer assistance activities (including pro-  
8 grams established by States prior to the enactment of this  
9 Act) designed to provide information, assistance, and re-  
10 ferrals to consumers of health insurance products.

11 (b) STATE ELIGIBILITY.—To be eligible to receive a  
12 grant under this section a State shall prepare and submit  
13 to the Secretary an application at such time, in such man-  
14 ner, and containing such information as the Secretary may  
15 require, including a State plan that describes—

16 (1) the manner in which the State will ensure  
17 that the health care consumer assistance office (es-  
18 tablished under subsection (d)) will assist health  
19 care consumers in accessing needed care by edu-  
20 cating and assisting health insurance enrollees to be  
21 responsible and informed consumers;

22 (2) the manner in which the State will coordi-  
23 nate and distinguish the services provided by the  
24 health care consumer assistance office with the serv-  
25 ices provided by the long-term care ombudsman au-  
26 thorized by the Older Americans Act of 1965 (42

1 U.S.C. 3001 et seq.), the State health insurance in-  
2 formation program authorized under section 4360 of  
3 the Omnibus Budget Reconciliation Act of 1990 (42  
4 U.S.C. 1395b-4), the protection and advocacy pro-  
5 gram authorized under the Protection and Advocacy  
6 for Mentally Ill Individuals Act of 1986 (42 U.S.C.  
7 10801 et seq.), and any other programs that provide  
8 information and assistance to health care consumers;

9 (3) the manner in which the State will coordi-  
10 nate and distinguish the health care consumer as-  
11 sistance office and its services from enrollment serv-  
12 ices provided under the medicaid and State chil-  
13 dren's health insurance programs under titles XIX  
14 and XXI of the Social Security Act (42 U.S.C. 1396  
15 et seq. and 1397aa et seq.), and medicare and med-  
16 icaid health care fraud and abuse activities including  
17 those authorized by Federal law under title 11 of the  
18 Social Security Act (42 U.S.C. 1301 et seq.), and  
19 State health insurance departments and health plan  
20 programs that perform similar functions;

21 (4) the manner in which the State will provide  
22 services to underserved and minority populations  
23 and populations residing in rural areas;

24 (5) the manner in which the State will establish  
25 and implement procedures and protocols, consistent

1 with applicable Federal and State confidentiality  
2 laws, to ensure the confidentiality of all information  
3 shared by consumers and their health care providers,  
4 health plans, or insurers with the office established  
5 under subsection (d)(1) and to ensure that no such  
6 information is used, released or referred without the  
7 express prior permission of the consumer in accord-  
8 ance with section 4(b), except to the extent that the  
9 office collects or uses aggregate information;

10 (6) the manner in which the State will oversee  
11 the health care consumer assistance office, its activi-  
12 ties and product materials, and evaluate program ef-  
13 fectiveness;

14 (7) the manner in which the State will provide  
15 for the collection of non-Federal contributions for  
16 the operations of the office in an amount that is not  
17 less than 25 percent of the amount of Federal funds  
18 provided under this Act; and

19 (8) the manner in which the State will ensure  
20 that funds made available under this Act will be  
21 used to supplement, and not supplant, any other  
22 Federal, State, or local funds expended to provide  
23 services for programs described under this Act and  
24 those described in paragraphs (3) and (4).

25 (c) AMOUNT OF GRANT.—

1           (1) IN GENERAL.—From amounts appropriated  
2           under section 4 for a fiscal year, the Secretary shall  
3           award a grant to a State in an amount that bears  
4           the same ratio to such amounts as the number of in-  
5           dividuals within the State covered under a health in-  
6           surance plan (as determined by the Secretary) bears  
7           to the total number of individuals covered under a  
8           health insurance plan in all States (as determined by  
9           the Secretary). Any amounts provided to a State  
10          under this section that are not used by the State  
11          shall be remitted to the Secretary and reallocated in  
12          accordance with this paragraph.

13          (2) MINIMUM AMOUNT.—In no case shall the  
14          amount provided to a State under a grant under this  
15          section for a fiscal year be less than an amount  
16          equal to .5 percent of the amount appropriated for  
17          such fiscal year under section 5.

18          (d) PROVISION OF FUNDS FOR ESTABLISHMENT OF  
19          OFFICE.—

20          (1) IN GENERAL.—From amounts provided  
21          under a grant under this section, a State shall, di-  
22          rectly or through a contract with an independent,  
23          nonprofit entity with demonstrated experience in  
24          serving the needs of health care consumers, provide

1 for the establishment and operation of a State  
2 health care consumer assistance office.

3 (2) ELIGIBILITY OF ENTITY.—To be eligible to  
4 enter into a contract under paragraph (1), an entity  
5 shall demonstrate that the entity has the technical,  
6 organizational, and professional capacity to deliver  
7 the services described in section 4 throughout the  
8 State to all public and private health insurance con-  
9 sumers.

10 **SEC. 4. USE OF FUNDS.**

11 (a) BY STATE.—A State shall use amounts provided  
12 under a grant awarded under this Act to carry out con-  
13 sumer assistance activities directly or by contract with an  
14 independent, non-profit organization. The State shall en-  
15 sure the adequate training of personnel carrying out such  
16 activities. Such activities shall include—

17 (1) the operation of a toll-free telephone hotline  
18 to respond to consumer requests for assistance;

19 (2) the dissemination of appropriate educational  
20 materials on how best to access health care and the  
21 rights and responsibilities of health care consumers;

22 (3) the provision of education to health care  
23 consumers on effective methods to promptly and effi-  
24 ciently resolve their questions, problems, and griev-  
25 ances;

1           (4) referrals to appropriate private and public  
2 entities to resolve questions, problems and griev-  
3 ances;

4           (5) the coordination of educational and out-  
5 reach efforts with consumers, health plans, health  
6 care providers, payers, and governmental agencies;  
7 and

8           (6) the provision of information and assistance  
9 to consumers regarding internal, external, or admin-  
10 istrative grievances or appeals procedures in  
11 nonlitigative settings to appeal the denial, termi-  
12 nation, or reduction of health care services, or the  
13 refusal to pay for such services, under a health in-  
14 surance plan.

15       (b) CONFIDENTIALITY AND ACCESS TO INFORMA-  
16 TION.—The health care consumer assistance office of a  
17 State shall establish and implement procedures and proto-  
18 cols, consistent with applicable Federal and State con-  
19 fidentiality laws, to ensure the confidentiality of all infor-  
20 mation shared by consumers and their health care pro-  
21 viders, health plans, or insurers with the office and to en-  
22 sure that no such information is used, released, or referred  
23 to State agencies or outside entities without the expressed  
24 prior permission of the consumer, except to the extent that  
25 the office collects or uses aggregate information that is

1 not individually identifiable. Such procedures and proto-  
2 cols shall ensure that the health care consumer is provided  
3 with a description of the policies and procedures of the  
4 office with respect to the manner in which health informa-  
5 tion may be used to carry out consumer assistance activi-  
6 ties.

7 (c) AVAILABILITY OF SERVICES.—The health care  
8 consumer assistance office of a State shall not discrimi-  
9 nate in the provision of information and referrals regard-  
10 less of the source of the individual’s health insurance cov-  
11 erage or prospective coverage, including individuals cov-  
12 ered under employer-provided insurance, self-funded  
13 plans, the medicare or medicaid programs under title  
14 XVII or XIX of the Social Security Act (42 U.S.C. 1395  
15 and 1396 et seq.), or under any other Federal or State  
16 health care program.

17 (d) DESIGNATION OF RESPONSIBILITIES.—

18 (1) WITHIN EXISTING STATE ENTITY.—If the  
19 health care consumer assistance office of a State is  
20 located within an existing State regulatory agency or  
21 office of an elected State official, the State shall en-  
22 sure that—

23 (A) there is a separate delineation of the  
24 funding, activities, and responsibilities of the of-

1           fice as compared to the other funding, activi-  
2           ties, and responsibilities of the agency; and

3                   (B) the office establishes and implements  
4           procedures and protocols to ensure the con-  
5           fidentiality of all information shared by con-  
6           sumers and their health care providers, health  
7           plans, or insurers with the office and to ensure  
8           that no information is transferred or released to  
9           the State agency or office without the expressed  
10          prior permission of the consumer in accordance  
11          with subsection (b).

12           (2) CONTRACT ENTITY.—In the case of an enti-  
13          ty that enters into a contract with a State under  
14          section 3(d), the entity shall provide assurances that  
15          the entity has no real or perceived conflict of inter-  
16          est in providing advice and assistance to consumers  
17          regarding health insurance and that the entity is  
18          independent of health insurance plans, companies,  
19          providers, payers, and regulators of care.

20           (e) SUBCONTRACTS.—The health care consumer as-  
21          sistance office of a State may carry out activities and pro-  
22          vide services through contracts entered into with 1 or more  
23          nonprofit entities so long as the office can demonstrate  
24          that all of the requirements of this Act are complied with  
25          by the office.

1 (f) TERM.—A contract entered into under this section  
2 shall be for a term of 3 years.

3 **SEC. 5. FUNDING.**

4 There are authorized to be appropriated  
5 \$100,000,000 to carry out this Act.

6 **SEC. 6. REPORT OF THE SECRETARY.**

7 Not later than 1 year after the Secretary first awards  
8 grants under this Act, and annually thereafter, the Sec-  
9 retary shall prepare and submit to the appropriate com-  
10 mittees of Congress a report concerning the activities  
11 funded under section 4 and the effectiveness of such ac-  
12 tivities in resolving health care-related problems and griev-  
13 ances.

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