

106TH CONGRESS
1ST SESSION

H. R. 110

To amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees and annuitants, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 1999

Mr. CUMMINGS introduced the following bill; which was referred to the
Committee on Government Reform

A BILL

To amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees and annuitants, and for other purposes.

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 “Federal Employees
5 Group Long-Term Care Insurance Act of 1999”.

1 **SEC. 2. LONG-TERM CARE INSURANCE.**

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

5 **“Chapter 90—Long-Term Care Insurance**

“Sec.

“9001. Definitions

“9002. Contracting authority.

“9003. Minimum standards for contractors.

“9004. Long-term care benefits.

“9005. Financing.

“9006. Preemption.

“9007. Studies, reports, and audits.

“9008. Claims for benefits.

“9009. Jurisdiction of courts.

“9010. Regulations.

“9011. Authorization of appropriations.

6 **“§ 9001. Definitions**

7 “For the purpose of this chapter—

8 “(1) ‘annuitant’ means an individual referred to
9 in section 8901(3);

10 “(2) ‘employee’ means an individual referred to
11 in subparagraphs (A)–(D), and (F)–(I) of section
12 8901(1); but does not include an employee excluded
13 by regulation of the Office under section 9011;

14 “(3) ‘other eligible individual’ means the
15 spouse, former spouse, parent or parent-in-law of an
16 employee or annuitant, or other individual specified
17 by the Office;

18 “(4) ‘Office’ means the Office of Personnel
19 Management;

1 “(5) ‘qualified carrier’ means an insurer li-
2 censed to do business in each of the States and
3 meeting the requirements of a qualified insurer in
4 each of the States;

5 “(6) ‘qualified contract’ means a contract meet-
6 ing the conditions prescribed in section 9002; and

7 “(7) ‘State’ means a State or territory or pos-
8 session of the United States, and includes the Dis-
9 trict of Columbia.

10 **“§ 9002. Contracting authority**

11 “(a) The Office may, without regard to section 5 of
12 title 41 or any other statute requiring competitive bidding,
13 purchase from one or more qualified carriers a policy or
14 policies of group long-term care insurance to provide bene-
15 fits as specified by this chapter. The Office, however, shall
16 ensure that each resulting contract is awarded on the basis
17 of contractor qualifications, price, and reasonable competi-
18 tion to the maximum extent practicable.

19 “(b) The Office may design a benefits package or
20 packages and negotiate final offerings with qualified car-
21 riers.

22 “(c) Each contract shall be for a uniform term of 5
23 years, unless terminated earlier by the Office.

24 “(d) Premium rates charged under a contract entered
25 into under this section shall reasonably reflect the cost of

1 the benefits provided under that contract as determined
2 by the Office.

3 “(e) The coverage and benefits made available to in-
4 dividuals under a contract entered into under this section
5 are guaranteed to be renewable and may not be canceled
6 by the carrier except for nonpayment of premium.

7 “(f) The Office may, based on open season participa-
8 tion rates, the composition of the risk pool, or both, with-
9 draw the product.

10 **“§ 9003. Minimum standards for contractors**

11 “At the minimum, to be a qualified carrier under this
12 chapter, a company shall—

13 “(1) be licensed as an insurance company and
14 approved to issue group long-term care insurance in
15 all States and to do business in each of the States;
16 and

17 “(2) be in compliance with the requirements im-
18 posed on issuers of qualified long-term care con-
19 tracts by section 4980C of the Internal Revenue
20 Code of 1986.

21 **“§ 9004. Long-term care benefits**

22 “The benefits provided under this chapter shall be
23 long-term care benefits which, at a minimum, shall be
24 compliant with the most recent standards recommended
25 by the National Association of Insurance Commissioners.

1 **“§ 9005. Financing**

2 “(a) The amount necessary to pay the premium for
3 enrollment of an enrolled employee shall be withheld from
4 the pay of each enrolled employee.

5 “(b) Except as provided by subsection (d), the
6 amount necessary to pay the premium for enrollment of
7 an enrolled annuitant shall be withheld from the annuity
8 of each enrolled annuitant.

9 “(c) The amount necessary to pay the premium for
10 enrollment of a spouse may be withheld from pay or annu-
11 ity, as appropriate.

12 “(d) An employee, annuitant, or other eligible individ-
13 ual, whose pay or annuity is insufficient to cover the with-
14 holding required for enrollment, shall, at the discretion of
15 the Office, pay the premium for enrollment directly to the
16 carrier.

17 “(e) Each carrier participating in the Program estab-
18 lished by this chapter shall maintain the funds related to
19 this Program separate and apart from funds related to
20 other contracts and other lines of business.

21 “(f) The costs of the Office in adjudicating a claims
22 dispute under section 9008, including costs related to an
23 inquiry not culminating in a dispute, shall be reimbursed
24 by the carrier involved in the dispute or inquiry. Such
25 funds shall be available to the Office for the administra-
26 tion of this chapter.

1 **“§ 9006. Preemption**

2 “The provisions of this chapter shall supersede and
3 preempt any State or local law which is determined by
4 the Office to be inconsistent with—

5 “(1) the provisions of this chapter; or

6 “(2) after consultation with the National Asso-
7 ciation of Insurance Commissioners, the efficient
8 provision of a nationwide long-term care insurance
9 program for Federal employees.

10 **“§ 9007. Studies, reports, and audits**

11 “(a) Each qualified carrier entering into a contract
12 under this chapter shall—

13 “(1) furnish such reasonable reports as the Of-
14 fice determines to be necessary to enable it to carry
15 out its functions under this chapter; and

16 “(2) permit the Office and representatives of
17 the General Accounting Office to examine such
18 records of the carrier as may be necessary to carry
19 out the purposes of this chapter.

20 “(b) Each Federal agency shall keep such records,
21 make such certifications, and furnish the Office, the car-
22 rier, or both, with such information and reports as the
23 Office may require.

1 **“§ 9008. Claims for benefits**

2 “(a) A claim for benefits under this chapter shall be
3 filed within 4 years of the date on which the reimbursable
4 cost was incurred or the service was provided.

5 “(b) The Office shall adjudicate a claims dispute arising
6 under this chapter and shall require the contractor to
7 pay for any benefit or provide any service the Office determines
8 appropriate under the applicable contract.

9 “(c)(1) Except as provided in paragraph (2), benefits
10 payable under this chapter for any reimbursable cost incurred
11 or service provided are secondary to any other benefit payable
12 for such cost or service. no payment may be
13 made where there is no legal obligation for such payment.

14 “(2) Benefits payable under the following programs
15 shall be secondary to benefits payable under this chapter:

16 “(A) The program of medical assistance under
17 title XIX of the Social Security Act; and

18 “(B) Any other Federal or State programs that
19 the Office may specify in regulations that provide
20 health benefit coverage designed to be secondary to
21 other insurance coverage.

22 **“§ 9009. Jurisdiction of courts**

23 “A claimant under this chapter may file suit against
24 the carrier of the long-term care insurance policy covering
25 such claimant in the district courts of the United States,
26 after exhausting all available administrative remedies.

1 **“§ 9010. Regulations**

2 “(a) The Office shall prescribe regulations necessary
3 to carry out this chapter.

4 “(b) The regulations of the Office may prescribe the
5 time at which and the conditions under which an eligible
6 individual may enroll in the Program established under
7 this chapter.

8 “(c) The Office may not exclude—

9 “(1) an employee or group of employees solely
10 on the basis of the hazardous nature of employment;
11 or

12 “(2) an employee who is occupying a position
13 on a part-time career employment basis, as defined
14 in section 3401(2).

15 “(d) The regulations of the Office shall provide for
16 the beginning and ending dates of coverage of employees,
17 annuitants, former spouses, and other eligible individuals
18 under this chapter, and any requirements for continuation
19 or conversion of coverage.

20 **“§ 9011. Authorization of appropriations**

21 “There are authorized to be appropriated such sums
22 as may be necessary for the purposes of carrying out sec-
23 tions 9002, and 9010.”.

24 **SEC. 3. EFFECTIVE DATE.**

25 The amendments made by this Act shall take effect
26 on the date of enactment of this act, except that no cov-

1 erage may be effective until the first day of the first pay
2 period in October, which follows by more than 1 year the
3 date of enactment of this Act.

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