

105TH CONGRESS  
1ST SESSION

# H. R. 1356

To amend title 10, United States Code, to permit beneficiaries of the military health care system to enroll in Federal employees health benefits plans; to improve health care benefits under CHAMPUS and TRICARE Standard, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 16, 1997

Mr. WATTS of Oklahoma (for himself, Mr. ENGLISH of Pennsylvania, Mr. WOLF, Mr. CONDIT, and Mr. NORWOOD) introduced the following bill; which was referred to the Committee on National Security, and in addition to the Committee on Government Reform and Oversight, 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.

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## A BILL

To amend title 10, United States Code, to permit beneficiaries of the military health care system to enroll in Federal employees health benefits plans; to improve health care benefits under CHAMPUS and TRICARE Standard, 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,*

1 **SECTION 1. INCLUSION OF CERTAIN COVERED BENE-**  
2 **FICIARIES IN FEDERAL EMPLOYEES HEALTH**  
3 **BENEFITS PROGRAM.**

4 (a) FEHBP OPTION.—Chapter 55 of title 10, United  
5 States Code, is amended by inserting after section 1079a  
6 the following new section:

7 **“§ 1079b. Health care coverage through Federal Em-**  
8 **ployees Health Benefits program**

9 “(a) FEHBP OPTION.—(1) Covered beneficiaries de-  
10 scribed in subsection (b) shall be afforded an opportunity  
11 to enroll in any health benefits plan under the Federal  
12 Employee Health Benefits program offering medical and  
13 dental care that is comparable to the care authorized by  
14 section 1077 of this title to be provided under section  
15 1076 of this title.

16 “(2) The Secretary of Defense and the other admin-  
17 istering Secretaries shall jointly enter into an agreement  
18 with the Director of the Office of Personnel Management  
19 to carry out paragraph (1).

20 “(b) ELIGIBLE COVERED BENEFICIARIES.—(1) A  
21 covered beneficiary referred to in subsection (a) is a mem-  
22 ber or former member of the uniformed services described  
23 in section 1074(b) of this title, and any dependent of the  
24 member described in section 1076(b) of this title, who, as  
25 determined pursuant to standards and procedures pro-

1 vided in the agreement entered into pursuant to subsection  
2 (a)(2)—

3 “(A) is not guaranteed access under  
4 CHAMPUS or TRICARE Standard to health and  
5 dental care that is comparable to the highest level of  
6 health and dental care benefits provided under the  
7 service benefit plan offered under the Federal Em-  
8 ployee Health Benefits program;

9 “(B) is eligible to enroll in the TRICARE pro-  
10 gram but is not enrolled because of the location of  
11 the beneficiary, a limitation on the total enrollment,  
12 or any other reason; or

13 “(C) is entitled to hospital insurance benefits  
14 under part A of title XVIII of the Social Security  
15 Act (42 U.S.C. 1395c et seq.).

16 “(2) A covered beneficiary shall not be required to  
17 satisfy any eligibility criteria specified in chapter 89 of  
18 title 5 as a condition for enrollment in a health benefits  
19 plan of the Federal Employee Health Benefits program  
20 under this section.

21 “(c) CONTRIBUTIONS.—(1) Contributions shall be  
22 made for an enrollment of a covered beneficiary in a plan  
23 of the Federal Employee Health Benefits program under  
24 this section as if the beneficiary were an employee of the  
25 Federal Government.

1       “(2) The administering Secretary concerned shall be  
2 responsible for the Government contributions that the Di-  
3 rector of the Office of Personnel Management determines  
4 would be payable by the Secretary under section 8906 of  
5 title 5 for an enrolled covered beneficiary if the beneficiary  
6 were an employee of the Secretary.

7       “(3) Each covered beneficiary enrolled in a health  
8 benefits plan under this section shall be required to con-  
9 tribute the amount that would be withheld from the pay  
10 of a similarly situated Federal employee who is enrolled  
11 in the same health benefits plan under chapter 89 of title  
12 5.

13       “(d) MANAGEMENT OF PARTICIPATION.—The Direc-  
14 tor of the Office of Personnel Management shall manage  
15 the participation of a covered beneficiary in a health bene-  
16 fits plan of the Federal Employee Health Benefits pro-  
17 gram pursuant to an enrollment under this section. The  
18 Director shall maintain separate risk pools for participat-  
19 ing covered beneficiaries until such time as the Director  
20 determines that a complete inclusion of participating cov-  
21 ered beneficiaries under chapter 89 of title 5 will not ad-  
22 versely affect Federal employees and annuitants enrolled  
23 in health benefits plans under such chapter.

24       “(e) REPORTING REQUIREMENTS.—Not later than  
25 November 1 of each year, the Secretary of Defense and

1 the Director of the Office of Personnel Management shall  
2 jointly submit to Congress a report describing the provi-  
3 sion of health and dental care services to covered bene-  
4 ficiaries under this section during the preceding fiscal  
5 year. The report shall address or contain the following:

6           “(1) The number of covered beneficiaries who  
7           are participating in health benefits plans of the Fed-  
8           eral Employee Health Benefits program pursuant to  
9           an enrollment under this section, both in terms of  
10          total number and as a percentage of all covered  
11          beneficiaries who are receiving health care through  
12          the health care system of the uniformed services.

13          “(2) The extent to which covered beneficiaries  
14          use the health and dental care services available to  
15          the beneficiaries under health benefits plans pursu-  
16          ant to enrollments under this section.

17          “(3) The cost to covered beneficiaries for health  
18          and dental care under such health benefits plans.

19          “(4) The cost to the Department of Defense,  
20          the Department of Transportation, the Department  
21          of Health and Human Services, and any other de-  
22          partments and agencies of the Federal Government  
23          of providing care to covered beneficiaries pursuant  
24          to enrollments in such health benefits plans under  
25          this section.

1           “(5) A comparison of the costs determined  
2           under paragraphs (3) and (4) and the costs that  
3           would otherwise have been incurred by the United  
4           States and enrollees under alternative health care  
5           options available to the administering Secretaries.

6           “(6) The effects of the exercise of authority  
7           under this section on the cost, access, and utilization  
8           rates of other health care options under the health  
9           care system of the uniformed services.”.

10          (b) CONFORMING AMENDMENTS.—(1) Section 8905  
11 of title 5, United States Code, is amended—

12           (A) by redesignating subsections (d), (e), and  
13           (f) as subsections (e), (f), and (g), respectively; and

14           (B) by inserting after subsection (c) the follow-  
15           ing new subsection (d):

16          “(d) An individual whom the Secretary of Defense de-  
17 termines is an eligible covered beneficiary under sub-  
18 section (b) of section 1079b of title 10 may enroll in a  
19 health benefits plan under this chapter in accordance with  
20 the agreement entered into under subsection (a) of such  
21 section between the Secretary and the Office and with ap-  
22 plicable regulations under this chapter.”.

23          (2) Section 8906 of title 5, United States Code, is  
24 amended—

25           (A) in subsection (b)—

1 (i) in paragraph (1), by striking “para-  
2 graphs (2) and (3)” and inserting in lieu there-  
3 of “paragraphs (2), (3), and (4)”; and

4 (ii) by adding at the end the following new  
5 paragraph:

6 “(4) In the case of individuals who enroll in a health  
7 plan under section 8905(d) of this title, the Government  
8 contribution shall be determined under section 1079b(c)  
9 of title 10.”; and

10 (B) in subsection (g)—

11 (i) in paragraph (1), by striking “para-  
12 graph (2)” and inserting in lieu thereof “para-  
13 graphs (2) and (3)”; and

14 (ii) by adding at the end the following new  
15 paragraph:

16 “(3) The Government contribution described in sub-  
17 section (b)(4) for beneficiaries who enroll under section  
18 8905(d) of this title shall be paid as provided in section  
19 1079b(c) of title 10.”.

20 **SEC. 2. IMPROVED BENEFITS UNDER CHAMPUS AND**  
21 **TRICARE STANDARD.**

22 Chapter 55 of title 10, United States Code, as  
23 amended by section 1(a), is further amended by inserting  
24 after section 1079b the following new section:

1 **“§ 1079c. CHAMPUS and TRICARE Standard benefits:**  
 2 **comparability with service benefit plan**  
 3 **of the Federal Employees Health Benefits**  
 4 **program**

5 “(a) BENEFITS.—The health and dental care benefits  
 6 provided under CHAMPUS and TRICARE Standard  
 7 shall be comparable to the highest level of benefits pro-  
 8 vided under the service benefit plan of the Federal Em-  
 9 ployees Health Benefits program.

10 “(b) PROVIDER REIMBURSEMENT RATES.—The  
 11 rates prescribed for the reimbursement of health and den-  
 12 tal care providers under CHAMPUS and TRICARE  
 13 Standard shall be the same as those provided for the high-  
 14 est level of benefits under the service benefit plan of the  
 15 Federal Employees Health Benefits program.”.

16 **SEC. 3. DEFINITIONS.**

17 Section 1072 of title 10, United States Code, is  
 18 amended—

19 (1) in paragraph (4), by striking out “The term  
 20 ‘Civilian Health and Medical Program of the Uni-  
 21 formed Services’ means” and inserting in lieu there-  
 22 of “The terms ‘Civilian Health and Medical Pro-  
 23 gram of the Uniformed Services’ and ‘CHAMPUS’  
 24 mean”; and

25 (2) by adding at the end the following:



1           “(7) The term ‘TRICARE program’ means the  
2           managed health care program that is established by  
3           the Secretary of Defense under the authority of this  
4           chapter, principally section 1097 of this title, and in-  
5           cludes the competitive selection of contractors to fi-  
6           nancially underwrite the delivery of health care serv-  
7           ices under CHAMPUS.

8           “(8) The term ‘TRICARE Standard’ means a  
9           CHAMPUS health care benefits option that, subject  
10          to the deductibles and cost-sharing requirements  
11          under CHAMPUS, pays a share of the cost of cov-  
12          ered health care services that are provided by health  
13          care providers outside the Federal Government who  
14          are not part of the CHAMPUS network of health  
15          care providers.

16          “(9) The term ‘Federal Employee Health Bene-  
17          fits program’ means the Federal Employee Health  
18          Benefits program under chapter 89 of title 5.”.

19 **SEC. 4. IMPLEMENTATION.**

20          The Secretary of Defense shall begin to offer the  
21          health benefits option under section 1079b(a) of title 10,  
22          United States Code (as added by section 1(a)), and the  
23          improved benefits under section 1079c of such title (as  
24          added by section 3) not later than November 1, 1997.

1 **SEC. 5. CLERICAL AMENDMENT.**

2       The table of sections at the beginning of chapter 55  
3 of title 10, United States Code, is amended by inserting  
4 after the item relating to section 1079a the following:

“1079b. Health care coverage through Federal Employees Health Benefits pro-  
gram.

“1079c. CHAMPUS and TRICARE Standard benefits: comparability with serv-  
ice benefit plan of the Federal Employees Health Benefits pro-  
gram.”.

