

105TH CONGRESS  
1ST SESSION

# H. R. 1574

To amend chapter 89 of title 5, United States Code, to permit Federal employees and annuitants to elect to receive contributions into medical savings accounts under the Federal Employees Health Benefits Program (FEHBP).

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## IN THE HOUSE OF REPRESENTATIVES

MAY 8, 1997

Mr. SALMON (for himself, Mr. MICA, Mr. BALLENGER, Mr. BARTLETT of Maryland, Mr. CAMPBELL, Mr. CANNON, Mr. COOKSEY, Mrs. CUBIN, Mr. CUNNINGHAM, Mr. DUNCAN, Mr. ENSIGN, Mr. FOLEY, Mr. GOSS, Mr. HAYWORTH, Mr. HILLEARY, Mrs. KELLY, Mr. KOLBE, Mr. MCCRERY, Mr. NETHERCUTT, Mr. NORWOOD, Mr. PACKARD, Mr. PAUL, Mr. SCARBOROUGH, Mr. BOB SCHAFFER of Colorado, Mr. SENSENBRENNER, Mr. SHADEGG, Mr. SKEEN, Mr. SOUDER, Mr. STUMP, and Mr. WALSH) introduced the following bill; which was referred to the Committee on Government Reform and Oversight

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## A BILL

To amend chapter 89 of title 5, United States Code, to permit Federal employees and annuitants to elect to receive contributions into medical savings accounts under the Federal Employees Health Benefits Program (FEHBP).

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. SHORT TITLE.**

2 This Act may be cited as the “FEHBP-Medical Sav-  
3 ings Account Promotion Act of 1997”.

4 **SEC. 2. PERMITTING CONTRIBUTION TOWARDS MEDICAL**  
5 **SAVINGS ACCOUNT THROUGH FEDERAL EM-**  
6 **PLOYEES HEALTH BENEFITS PROGRAM**  
7 **(FEHBP).**

8 (a) GOVERNMENT CONTRIBUTION TO MEDICAL SAV-  
9 INGS ACCOUNT.—

10 (1) IN GENERAL.—Section 8906 of title 5,  
11 United States Code, is amended by adding at the  
12 end the following new subsection:

13 “(j)(1) In the case of an employee or annuitant who  
14 is enrolled in a catastrophic plan described by section  
15 8903(5), there shall be a Government contribution under  
16 this subsection to a medical savings account established  
17 or maintained for the benefit of the individual. The con-  
18 tribution under this subsection shall be in addition to the  
19 Government contribution under subsection (b).

20 “(2) The amount of the Government contribution  
21 under this subsection with respect to an individual is equal  
22 to the amount by which—

23 “(A) the maximum contribution allowed under  
24 subsection (b)(1) with respect to any employee or  
25 annuitant, exceeds

1           “(B) the amount of the Government contribu-  
2           tion actually made with respect to the individual  
3           under subsection (b) for coverage under the cata-  
4           strophic plan.

5           “(3) The Government contributions under this sub-  
6           section shall be paid into a medical savings account (des-  
7           ignated by the individual involved) in a manner that is  
8           specified by the Office and consistent with the timing of  
9           contributions under subsection (b).

10          “(4) Subsections (f) and (g) shall apply to contribu-  
11          tions under this section in the same manner as they apply  
12          to contributions under subsection (b).

13          “(5) For the purpose of this subsection, the term  
14          ‘medical savings account’ has the meaning given such term  
15          by section 220(d) of the Internal Revenue Code of 1986  
16          (as inserted by section 301(a) of Health Insurance Port-  
17          ability and Accountability Act of 1996).”.

18                 (2) ALLOWING PAYMENT OF FULL AMOUNT OF  
19                 CHARGE FOR CATASTROPHIC PLAN.—Section  
20                 8906(b)(2) of such title is amended by inserting “(or  
21                 100 percent of the subscription charge in the case  
22                 of a catastrophic plan)” after “75 percent of the  
23                 subscription charge”.

24                 (b) OFFERING OF CATASTROPHIC PLANS.—

1           (1) IN GENERAL.—Section 8903 of such title is  
2           amended by adding at the end the following new  
3           paragraph:

4           “(5) CATASTROPHIC PLANS.—One or more  
5           plans described in paragraph (1), (2), or (3), but  
6           which provide benefits of the types referred to by  
7           paragraph (5) of section 8904(a), instead of the  
8           types referred to in paragraphs (1), (2), and (3) of  
9           such section.”.

10          (2) TYPES OF BENEFITS.—Section 8904(a) of  
11          such title is amended by inserting after paragraph  
12          (4) the following new paragraph:

13          “(5) CATASTROPHIC PLANS.—Benefits of the  
14          types named under paragraph (1) or (2) of this sub-  
15          section or both, to the extent expenses covered by  
16          the plan exceed \$3,000.”.

17          (3) DISREGARDING CATASTROPHIC PLANS IN  
18          DETERMINING LEVEL OF GOVERNMENT CONTRIBU-  
19          TIONS.—Section 8906(a)(3) of such title is amended  
20          by inserting “described by section 8903(3)” after  
21          “plans”.

22          (c) EFFECTIVE DATE.—The amendments made by  
23          this section shall apply to contract terms beginning on or  
24          after January 1, 1998.

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