

105TH CONGRESS  
1ST SESSION

# H. R. 2409

To amend the Public Health Service Act, Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to provide for nondiscriminatory coverage for substance abuse treatment services under private group and individual health coverage.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 4, 1997

Mr. RAMSTAD introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, 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 the Public Health Service Act, Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to provide for nondiscriminatory coverage for substance abuse treatment services under private group and individual health coverage.

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 “Substance Abuse  
5       Treatment Parity Act of 1997”.



1 **SEC. 2. PARITY IN SUBSTANCE ABUSE TREATMENT BENE-**  
2 **FITS.**

3 (a) GROUP HEALTH PLANS.—

4 (1) PUBLIC HEALTH SERVICE ACT AMEND-  
5 MENTS.—(A) Subpart 2 of part A of title XXVII of  
6 the Public Health Service Act (as added by section  
7 604(a) of the Newborns' and Mothers' Health Pro-  
8 tection Act of 1996 and amended by section 703(a)  
9 of the Mental Health Parity Act of 1996) is amend-  
10 ed by adding at the end the following new section:

11 **“SEC. 2706. PARITY IN THE APPLICATION OF TREATMENT**  
12 **LIMITATIONS AND FINANCIAL REQUIRE-**  
13 **MENTS TO SUBSTANCE ABUSE TREATMENT**  
14 **BENEFITS.**

15 “(a) IN GENERAL.—In the case of a group health  
16 plan (or health insurance coverage offered in connection  
17 with such a plan) that provides both medical and surgical  
18 benefits and substance abuse treatment benefits, the plan  
19 or coverage shall not impose treatment limitations or fi-  
20 nancial requirements on the substance abuse treatment  
21 benefits unless similar limitations or requirements are im-  
22 posed for medical and surgical benefits.

23 “(b) CONSTRUCTION.—Nothing in this section shall  
24 be construed—

25 “(1) as requiring a group health plan (or health  
26 insurance coverage offered in connection with such a



1 plan) to provide any substance abuse treatment ben-  
2 efits; or

3 “(2) to prevent a group health plan or a health  
4 insurance issuer offering group health insurance cov-  
5 erage from negotiating the level and type of reim-  
6 bursement with a provider for care provided in ac-  
7 cordance with this section.

8 “(c) EXEMPTIONS.—

9 “(1) SMALL EMPLOYER EXEMPTION.—

10 “(A) IN GENERAL.—This section shall not  
11 apply to any group health plan (and group  
12 health insurance coverage offered in connection  
13 with a group health plan) for any plan year of  
14 a small employer.

15 “(B) SMALL EMPLOYER.—For purposes of  
16 subparagraph (A), the term ‘small employer’  
17 means, in connection with a group health plan  
18 with respect to a calendar year and a plan year,  
19 an employer who employed an average of at  
20 least 2 but not more than 50 employees on  
21 business days during the preceding calendar  
22 year and who employs at least 2 employees on  
23 the first day of the plan year.



1           “(C) APPLICATION OF CERTAIN RULES IN  
2           DETERMINATION OF EMPLOYER SIZE.—For  
3           purposes of this paragraph—

4           “(i) APPLICATION OF AGGREGATION  
5           RULE FOR EMPLOYERS.—Rules similar to  
6           the rules under subsections (b), (c), (m),  
7           and (o) of section 414 of the Internal Rev-  
8           enue Code of 1986 shall apply for purposes  
9           of treating persons as a single employer.

10          “(ii) EMPLOYERS NOT IN EXISTENCE  
11          IN PRECEDING YEAR.—In the case of an  
12          employer which was not in existence  
13          throughout the preceding calendar year,  
14          the determination of whether such em-  
15          ployer is a small employer shall be based  
16          on the average number of employees that  
17          it is reasonably expected such employer  
18          will employ on business days in the current  
19          calendar year.

20          “(iii) PREDECESSORS.—Any reference  
21          in this paragraph to an employer shall in-  
22          clude a reference to any predecessor of  
23          such employer.

24          “(2) INCREASED COST EXEMPTION.—This sec-  
25          tion shall not apply with respect to a group health



1 plan (or health insurance coverage offered in connec-  
2 tion with a group health plan) if the application of  
3 this section to such plan (or to such coverage) re-  
4 sults in an increase in the cost under the plan (or  
5 for such coverage) of at least 1 percent.

6 “(d) SEPARATE APPLICATION TO EACH OPTION OF-  
7 FERED.—In the case of a group health plan that offers  
8 a participant or beneficiary two or more benefit package  
9 options under the plan, the requirements of this section  
10 shall be applied separately with respect to each such op-  
11 tion.

12 “(e) DEFINITIONS.—For purposes of this section—

13 “(1) TREATMENT LIMITATION.—The term  
14 ‘treatment limitation’ means, with respect to benefits  
15 under a group health plan or health insurance cov-  
16 erage, any day or visit limits imposed on coverage of  
17 benefits under the plan or coverage during a period  
18 of time.

19 “(2) FINANCIAL REQUIREMENT.—The term ‘fi-  
20 nancial requirement’ means, with respect to benefits  
21 under a group health plan or health insurance cov-  
22 erage, any deductible, coinsurance, or cost-sharing  
23 or an annual or lifetime dollar limit imposed with re-  
24 spect to the benefits under the plan or coverage.



1           “(3) MEDICAL OR SURGICAL BENEFITS.—The  
2           term ‘medical or surgical benefits’ means benefits  
3           with respect to medical or surgical services, as de-  
4           fined under the terms of the plan or coverage (as the  
5           case may be), but does not include substance abuse  
6           treatment benefits.

7           “(4) SUBSTANCE ABUSE TREATMENT BENE-  
8           FITS.—The term ‘substance abuse treatment bene-  
9           fits’ means benefits with respect to substance abuse  
10          treatment services.

11          “(5) SUBSTANCE ABUSE TREATMENT SERV-  
12          ICES.—The term ‘substance abuse services’ means  
13          any of the following items and services provided for  
14          the treatment of substance abuse:

15               “(A) Inpatient treatment, including detoxi-  
16               fication.

17               “(B) Non-hospital residential treatment.

18               “(C) Outpatient treatment, including  
19               screening and assessment, medication manage-  
20               ment, individual, group, and family counseling,  
21               and relapse prevention.

22               “(D) Prevention services, including health  
23               education and individual and group counseling  
24               to encourage the reduction of risk factors for  
25               substance abuse.



1           “(6) SUBSTANCE ABUSE.—The term ‘substance  
2       abuse’ includes chemical dependency.

3           “(f) NOTICE.—A group health plan under this part  
4       shall comply with the notice requirement under section  
5       713(f) of the Employee Retirement Income Security Act  
6       of 1974 with respect to the requirements of this section  
7       as if such section applied to such plan.

8           “(g) SUNSET.—This section shall not apply to bene-  
9       fits for services furnished on or after September 30,  
10      2002.”.

11           (B) Section 2723(c) of such Act (42 U.S.C.  
12      300gg-23(c)), as amended by section 604(b)(2) of  
13      Public Law 104-204, is amended by striking “sec-  
14      tion 2704” and inserting “sections 2704 and 2706”.

15           (2) ERISA AMENDMENTS.—(A) Subpart B of  
16      part 7 of subtitle B of title I of the Employee Re-  
17      tirement Income Security Act of 1974 (as added by  
18      section 603(a) of the Newborns’ and Mothers’  
19      Health Protection Act of 1996 and amended by sec-  
20      tion 702(a) of the Mental Health Parity Act of  
21      1996) is amended by adding at the end the following  
22      new section:



1 **“SEC. 713. PARITY IN THE APPLICATION OF TREATMENT**  
2 **LIMITATIONS AND FINANCIAL REQUIRE-**  
3 **MENTS TO SUBSTANCE ABUSE TREATMENT**  
4 **BENEFITS.**

5 “(a) IN GENERAL.—In the case of a group health  
6 plan (or health insurance coverage offered in connection  
7 with such a plan) that provides both medical and surgical  
8 benefits and substance abuse treatment benefits, the plan  
9 or coverage shall not impose treatment limitations or fi-  
10 nancial requirements on the substance abuse treatment  
11 benefits unless similar limitations or requirements are im-  
12 posed for medical and surgical benefits.

13 “(b) CONSTRUCTION.—Nothing in this section shall  
14 be construed—

15 “(1) as requiring a group health plan (or health  
16 insurance coverage offered in connection with such a  
17 plan) to provide any substance abuse treatment ben-  
18 efits; or

19 “(2) to prevent a group health plan or a health  
20 insurance issuer offering group health insurance cov-  
21 erage from negotiating the level and type of reim-  
22 bursement with a provider for care provided in ac-  
23 cordance with this section.

24 “(c) EXEMPTIONS.—

25 “(1) SMALL EMPLOYER EXEMPTION.—



1           “(A) IN GENERAL.—This section shall not  
2           apply to any group health plan (and group  
3           health insurance coverage offered in connection  
4           with a group health plan) for any plan year of  
5           a small employer.

6           “(B) SMALL EMPLOYER.—For purposes of  
7           subparagraph (A), the term ‘small employer’  
8           means, in connection with a group health plan  
9           with respect to a calendar year and a plan year,  
10          an employer who employed an average of at  
11          least 2 but not more than 50 employees on  
12          business days during the preceding calendar  
13          year and who employs at least 2 employees on  
14          the first day of the plan year.

15          “(C) APPLICATION OF CERTAIN RULES IN  
16          DETERMINATION OF EMPLOYER SIZE.—For  
17          purposes of this paragraph—

18                 “(i) APPLICATION OF AGGREGATION  
19                 RULE FOR EMPLOYERS.—Rules similar to  
20                 the rules under subsections (b), (c), (m),  
21                 and (o) of section 414 of the Internal Rev-  
22                 enue Code of 1986 shall apply for purposes  
23                 of treating persons as a single employer.

24                 “(ii) EMPLOYERS NOT IN EXISTENCE  
25                 IN PRECEDING YEAR.—In the case of an



1 employer which was not in existence  
2 throughout the preceding calendar year,  
3 the determination of whether such em-  
4 ployer is a small employer shall be based  
5 on the average number of employees that  
6 it is reasonably expected such employer  
7 will employ on business days in the current  
8 calendar year.

9 “(iii) PREDECESSORS.—Any reference  
10 in this paragraph to an employer shall in-  
11 clude a reference to any predecessor of  
12 such employer.

13 “(2) INCREASED COST EXEMPTION.—This sec-  
14 tion shall not apply with respect to a group health  
15 plan (or health insurance coverage offered in connec-  
16 tion with a group health plan) if the application of  
17 this section to such plan (or to such coverage) re-  
18 sults in an increase in the cost under the plan (or  
19 for such coverage) of at least 1 percent.

20 “(d) SEPARATE APPLICATION TO EACH OPTION OF-  
21 FERED.—In the case of a group health plan that offers  
22 a participant or beneficiary two or more benefit package  
23 options under the plan, the requirements of this section  
24 shall be applied separately with respect to each such op-  
25 tion.



1 “(e) DEFINITIONS.—For purposes of this section—

2 “(1) TREATMENT LIMITATION.—The term  
3 ‘treatment limitation’ means, with respect to benefits  
4 under a group health plan or health insurance cov-  
5 erage, any day or visit limits imposed on coverage of  
6 benefits under the plan or coverage during a period  
7 of time.

8 “(2) FINANCIAL REQUIREMENT.—The term ‘fi-  
9 nancial requirement’ means, with respect to benefits  
10 under a group health plan or health insurance cov-  
11 erage, any deductible, coinsurance, or cost-sharing  
12 or an annual or lifetime dollar limit imposed with re-  
13 spect to the benefits under the plan or coverage.

14 “(3) MEDICAL OR SURGICAL BENEFITS.—The  
15 term ‘medical or surgical benefits’ means benefits  
16 with respect to medical or surgical services, as de-  
17 fined under the terms of the plan or coverage (as the  
18 case may be), but does not include substance abuse  
19 treatment benefits.

20 “(4) SUBSTANCE ABUSE TREATMENT BENE-  
21 FITS.—The term ‘substance abuse treatment bene-  
22 fits’ means benefits with respect to substance abuse  
23 treatment services.

24 “(5) SUBSTANCE ABUSE TREATMENT SERV-  
25 ICES.—The term ‘substance abuse services’ means



1 any of the following items and services provided for  
2 the treatment of substance abuse:

3 “(A) Inpatient treatment, including detoxi-  
4 fication.

5 “(B) Non-hospital residential treatment.

6 “(C) Outpatient treatment, including  
7 screening and assessment, medication manage-  
8 ment, individual, group, and family counseling,  
9 and relapse prevention.

10 “(D) Prevention services, including health  
11 education and individual and group counseling  
12 to encourage the reduction of risk factors for  
13 substance abuse.

14 “(6) SUBSTANCE ABUSE.—The term ‘substance  
15 abuse’ includes chemical dependency.

16 “(f) NOTICE UNDER GROUP HEALTH PLAN.—The  
17 imposition of the requirements of this section shall be  
18 treated as a material modification in the terms of the plan  
19 described in section 102(a)(1), for purposes of assuring  
20 notice of such requirements under the plan; except that  
21 the summary description required to be provided under the  
22 last sentence of section 104(b)(1) with respect to such  
23 modification shall be provided by not later than 60 days  
24 after the first day of the first plan year in which such  
25 requirements apply.



1 “(g) SUNSET.—This section shall not apply to bene-  
 2 fits for services furnished on or after September 30,  
 3 2002.”.

4 (B) Section 731(c) of such Act (29 U.S.C.  
 5 1191(c)), as amended by section 603(b)(1) of Public  
 6 Law 104–204, is amended by striking “section 711”  
 7 and inserting “sections 711 and 713”.

8 (C) Section 732(a) of such Act (29 U.S.C.  
 9 1191a(a)), as amended by section 603(b)(2) of Pub-  
 10 lic Law 104–204, is amended by striking “section  
 11 711” and inserting “sections 711 and 713”.

12 (D) The table of contents in section 1 of such  
 13 Act is amended by inserting after the item relating  
 14 to section 712 the following new item:

“Sec. 713. Parity in the application of treatment limitations and financial re-  
 quirements to substance abuse treatment benefits.”.

15 (3) INTERNAL REVENUE CODE AMEND-  
 16 MENTS.—(A) Subtitle K of the Internal Revenue  
 17 Code of 1986 (as added by section 401(a) of the  
 18 Health Insurance Portability and Accountability Act  
 19 of 1996) is amended—

20 (i) by striking all that precedes section  
 21 9801 and inserting the following:

22 **“Subtitle K—Group Health Plan**  
 23 **Requirements**

“CHAPTER 100. Group health plan requirements.



1     **“CHAPTER 100—GROUP HEALTH PLAN**  
 2                     **REQUIREMENTS**

“Subchapter A. Requirements relating to portability, access, and renewability.

“Subchapter B. Other requirements.

“Subchapter C. General provisions.

3     **“Subchapter A—Requirements Relating to**  
 4                     **Portability, Access, and Renewability**

“Sec. 9801. Increased portability through limitation on preexisting condition exclusions.

“Sec. 9802. Prohibiting discrimination against individual participants and beneficiaries based on health status.

“Sec. 9803. Guaranteed renewability in multiemployer plans and certain multiple employer welfare arrangements.”,

5                     (ii) by redesignating sections 9804, 9805,  
 6                     and 9806 as sections 9831, 9832, and 9833, respectively,  
 7                     

8                     (iii) by inserting before section 9831 (as so  
 9                     redesignated) the following:

10                    **“Subchapter C—General Provisions**

“Sec. 9831. General exceptions.

“Sec. 9832. Definitions.

“Sec. 9833. Regulations.”, and

11                    (iv) by inserting after section 9803 the following:  
 12                    

13                    **“Subchapter B—Other Requirements**

“Sec. 9811. Parity in the application of treatment limitations and financial requirements to substance abuse treatment benefits.



1 **“SEC. 9811. PARITY IN THE APPLICATION OF TREATMENT**  
2 **LIMITATIONS AND FINANCIAL REQUIRE-**  
3 **MENTS TO SUBSTANCE ABUSE TREATMENT**  
4 **BENEFITS.**

5 “(a) IN GENERAL.—In the case of a group health  
6 plan (or health insurance coverage offered in connection  
7 with such a plan) that provides both medical and surgical  
8 benefits and substance abuse treatment benefits, the plan  
9 or coverage shall not impose treatment limitations or fi-  
10 nancial requirements on the substance abuse treatment  
11 benefits unless similar limitations or requirements are im-  
12 posed for medical and surgical benefits.

13 “(b) CONSTRUCTION.—Nothing in this section shall  
14 be construed—

15 “(1) as requiring a group health plan (or health  
16 insurance coverage offered in connection with such a  
17 plan) to provide any substance abuse treatment ben-  
18 efits; or

19 “(2) to prevent a group health plan or a health  
20 insurance issuer offering group health insurance cov-  
21 erage from negotiating the level and type of reim-  
22 bursement with a provider for care provided in ac-  
23 cordance with this section.

24 “(c) EXEMPTIONS.—

25 “(1) SMALL EMPLOYER EXEMPTION.—



1           “(A) IN GENERAL.—This section shall not  
2           apply to any group health plan (and group  
3           health insurance coverage offered in connection  
4           with a group health plan) for any plan year of  
5           a small employer.

6           “(B) SMALL EMPLOYER.—For purposes of  
7           subparagraph (A), the term ‘small employer’  
8           means, in connection with a group health plan  
9           with respect to a calendar year and a plan year,  
10          an employer who employed an average of at  
11          least 2 but not more than 50 employees on  
12          business days during the preceding calendar  
13          year and who employs at least 2 employees on  
14          the first day of the plan year.

15          “(C) APPLICATION OF CERTAIN RULES IN  
16          DETERMINATION OF EMPLOYER SIZE.—For  
17          purposes of this paragraph—

18                 “(i) APPLICATION OF AGGREGATION  
19                 RULE FOR EMPLOYERS.—Rules similar to  
20                 the rules under subsections (b), (c), (m),  
21                 and (o) of section 414 of the Internal Rev-  
22                 enue Code of 1986 shall apply for purposes  
23                 of treating persons as a single employer.

24                 “(ii) EMPLOYERS NOT IN EXISTENCE  
25                 IN PRECEDING YEAR.—In the case of an



1 employer which was not in existence  
2 throughout the preceding calendar year,  
3 the determination of whether such em-  
4 ployer is a small employer shall be based  
5 on the average number of employees that  
6 it is reasonably expected such employer  
7 will employ on business days in the current  
8 calendar year.

9 “(iii) PREDECESSORS.—Any reference  
10 in this paragraph to an employer shall in-  
11 clude a reference to any predecessor of  
12 such employer.

13 “(2) INCREASED COST EXEMPTION.—This sec-  
14 tion shall not apply with respect to a group health  
15 plan (or health insurance coverage offered in connec-  
16 tion with a group health plan) if the application of  
17 this section to such plan (or to such coverage) re-  
18 sults in an increase in the cost under the plan (or  
19 for such coverage) of at least 1 percent.

20 “(d) SEPARATE APPLICATION TO EACH OPTION OF-  
21 FERED.—In the case of a group health plan that offers  
22 a participant or beneficiary two or more benefit package  
23 options under the plan, the requirements of this section  
24 shall be applied separately with respect to each such op-  
25 tion.



1 “(e) DEFINITIONS.—For purposes of this section—

2 “(1) TREATMENT LIMITATION.—The term  
3 ‘treatment limitation’ means, with respect to benefits  
4 under a group health plan or health insurance cov-  
5 erage, any day or visit limits imposed on coverage of  
6 benefits under the plan or coverage during a period  
7 of time.

8 “(2) FINANCIAL REQUIREMENT.—The term ‘fi-  
9 nancial requirement’ means, with respect to benefits  
10 under a group health plan or health insurance cov-  
11 erage, any deductible, coinsurance, or cost-sharing  
12 or an annual or lifetime dollar limit imposed with re-  
13 spect to the benefits under the plan or coverage.

14 “(3) MEDICAL OR SURGICAL BENEFITS.—The  
15 term ‘medical or surgical benefits’ means benefits  
16 with respect to medical or surgical services, as de-  
17 fined under the terms of the plan or coverage (as the  
18 case may be), but does not include substance abuse  
19 treatment benefits.

20 “(4) SUBSTANCE ABUSE TREATMENT BENE-  
21 FITS.—The term ‘substance abuse treatment bene-  
22 fits’ means benefits with respect to substance abuse  
23 treatment services.

24 “(5) SUBSTANCE ABUSE TREATMENT SERV-  
25 ICES.—The term ‘substance abuse services’ means



1 any of the following items and services provided for  
2 the treatment of substance abuse:

3 “(A) Inpatient treatment, including detoxi-  
4 fication.

5 “(B) Non-hospital residential treatment.

6 “(C) Outpatient treatment, including  
7 screening and assessment, medication manage-  
8 ment, individual, group, and family counseling,  
9 and relapse prevention.

10 “(D) Prevention services, including health  
11 education and individual and group counseling  
12 to encourage the reduction of risk factors for  
13 substance abuse.

14 “(6) SUBSTANCE ABUSE.—The term ‘substance  
15 abuse’ includes chemical dependency.

16 “(f) SUNSET.—This section shall not apply to bene-  
17 fits for services furnished on or after September 30,  
18 2002.”.

19 (B) CONFORMING AMENDMENTS.—

20 (i) Chapter 100 of such Code (as added by  
21 section 401 of the Health Insurance Portability  
22 and Accountability Act of 1996 and as pre-  
23 viously amended by this section) is further  
24 amended—



1 (I) in the last sentence of section  
 2 9801(c)(1), by striking “section 9805(c)”  
 3 and inserting “section 9832(c)”;

4 (II) in section 9831(b), by striking  
 5 “9805(c)(1)” and inserting “9832(c)(1)”;

6 (III) in section 9831(c)(1), by striking  
 7 “9805(c)(2)” and inserting “9832(c)(2)”;

8 (IV) in section 9831(c)(2), by striking  
 9 “9805(c)(3)” and inserting “9832(c)(3)”;  
 10 and

11 (V) in section 9831(c)(3), by striking  
 12 “9805(c)(4)” and inserting “9832(c)(4)”.

13 (ii) Section 4980D of such Code (as added  
 14 by section 402 of the Health Insurance Port-  
 15 ability and Accountability Act of 1996) is  
 16 amended—

17 (I) in subsection (c)(3)(B)(i)(I), by  
 18 striking “9805(d)(3)” and inserting  
 19 “9832(d)(3)”;

20 (II) in subsection (d)(1), by inserting  
 21 “(other than a failure attributable to sec-  
 22 tion 9811)” after “on any failure”;

23 (III) in subsection (d)(3), by striking  
 24 “9805” and inserting “9832”;



1 (IV) in subsection (f)(1), by striking  
 2 “9805(a)” and inserting “9832(a)”.

3 (iii) The table of subtitles for such Code is  
 4 amended by striking the item relating to sub-  
 5 title K (as added by section 401(b) of the  
 6 Health Insurance Portability and Accountability  
 7 Act of 1996) and inserting the following new  
 8 item:

“SUBTITLE K. Group health plan requirements.”

9 (b) INDIVIDUAL HEALTH INSURANCE.—(1) Part B  
 10 of title XXVII of the Public Health Service Act (as added  
 11 by section 605(a) of the Newborn’s and Mother’s Health  
 12 Protection Act of 1996) is amended by inserting after sec-  
 13 tion 2751 the following new section:

14 **“SEC. 2752. PARITY IN THE APPLICATION OF TREATMENT**  
 15 **LIMITATIONS AND FINANCIAL REQUIRE-**  
 16 **MENTS TO SUBSTANCE ABUSE BENEFITS.**

17 “(a) IN GENERAL.—The provisions of section 2706  
 18 (other than subsection (e)) shall apply to health insurance  
 19 coverage offered by a health insurance issuer in the indi-  
 20 vidual market in the same manner as it applies to health  
 21 insurance coverage offered by a health insurance issuer  
 22 in connection with a group health plan in the small or  
 23 large group market.

24 “(b) NOTICE.—A health insurance issuer under this  
 25 part shall comply with the notice requirement under sec-



tion 713(f) of the Employee Retirement Income Security Act of 1974 with respect to the requirements referred to in subsection (a) as if such section applied to such issuer and such issuer were a group health plan.”.

(2) Section 2762(b)(2) of such Act (42 U.S.C. 300gg-62(b)(2)), as added by section 605(b)(3)(B) of Public Law 104-204, is amended by striking “section 2751” and inserting “sections 2751 and 2752”.

(c) EFFECTIVE DATES.—(1) Subject to paragraph (3), the amendments made by subsection (a) shall apply with respect to group health plans for plan years beginning on or after January 1, 1999.

(2) The amendment made by subsection (b) shall apply with respect to health insurance coverage offered, sold, issued, renewed, in effect, or operated in the individual market on or after such date.

(3) In the case of a group health plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified before the date of enactment of this Act, the amendments made subsection (a) shall not apply to plan years beginning before the later of—

(A) the date on which the last collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof



1       agreed to after the date of enactment of this Act),  
2       or

3               (B) January 1, 1999.

4 For purposes of subparagraph (A), any plan amendment  
5 made pursuant to a collective bargaining agreement relat-  
6 ing to the plan which amends the plan solely to conform  
7 to any requirement added by subsection (a) shall not be  
8 treated as a termination of such collective bargaining  
9 agreement.

10       (d) COORDINATED REGULATIONS.—Section 104(1)  
11 of Health Insurance Portability and Accountability Act of  
12 1996 is amended by striking “this subtitle (and the  
13 amendments made by this subtitle and section 401)” and  
14 inserting “the provisions of part 7 of subtitle B of title  
15 I of the Employee Retirement Income Security Act of  
16 1974, and the provisions of parts A and C of title XXVII  
17 of the Public Health Service Act, and chapter 1000 of the  
18 Internal Revenue Code of 1986”.

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