

105TH CONGRESS  
1ST SESSION

# H. R. 2532

To amend the Internal Revenue Code of 1986, the Public Health Service Act, and the Employee Retirement Income Security Act of 1974 to expand access to health insurance coverage without pre-existing condition exclusions in the group and individual health insurance markets.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 23, 1997

Mr. STARK introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committees on Ways and Means, and Education and the Workforce, 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 Internal Revenue Code of 1986, the Public Health Service Act, and the Employee Retirement Income Security Act of 1974 to expand access to health insurance coverage without pre-existing condition exclusions in the group and individual health insurance markets.

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 Insurance Ac-  
5 cess Amendments of 1997”.



1 **SEC. 2. PHASE-DOWN OF APPLICATION OF PREEXISTING**  
2 **CONDITION EXCLUSIONS IN GROUP MARKET.**

3 Section 9801 of the Internal Revenue Code of 1986,  
4 section 701 of the Employee Retirement Income Security  
5 Act of 1974 (29 U.S.C. 1181), and section 2701 of the  
6 Public Health Service Act (42 U.S.C. 300g) are each  
7 amended as follows:

8 (1) Effective with respect to group health plans  
9 for plan years beginning on or after January 1,  
10 2000, in subsection (a), strike “not more than 12  
11 months (or 18 months in the case of a late enrollee)  
12 after the enrollment date” and insert “not more  
13 than 6 months after the enrollment date”.

14 (2) Effective with respect to group health plans  
15 for plan years beginning on or after January 1,  
16 2001, in subsection (a) (as amended by paragraph  
17 (1)), strike “not more than 6 months after the en-  
18 rollment date” and insert “not more than 3 months  
19 after the enrollment date”.

20 (3) Effective with respect to group health plans  
21 for plan years beginning on or after January 1,  
22 2002, in subsection (a) (as amended by paragraph  
23 (1)), strike “3 months” and insert “one month”.

1 **SEC. 3. EXTENDING AVAILABILITY OF COVERAGE IN INDIVIDUAL MARKET WITHOUT APPLICATION OF**  
 2 **PREEXISTING CONDITION EXCLUSIONS.**

4 (a) PHASE-DOWN IN ELIGIBILITY RESTRICTIONS.—  
 5 Section 2741(b)(1)(A) of the Public Health Service Act  
 6 (42 U.S.C. 300g–41(b)(1)(A)) is amended as follows:

7 (1) Effective with respect to health insurance  
 8 coverage offered, sold, issued, renewed, in effect, or  
 9 operated in the individual market on or after January  
 10 1, 2000, strike “18 or more months” and insert  
 11 “12 or more months”.

12 (2) Effective with respect to health insurance  
 13 coverage offered, sold, issued, renewed, in effect, or  
 14 operated in the individual market on or after January  
 15 1, 2001, strike “12 or more months” (as inserted  
 16 by paragraph (1)) and insert “6 or more  
 17 months”.

18 (3) Effective with respect to health insurance  
 19 coverage offered, sold, issued, renewed, in effect, or  
 20 operated in the individual market on or after January  
 21 1, 2002, strike “6 or more months” (as inserted  
 22 by paragraph (2)) and insert “one month”.

23 **SEC. 4. EXPANSION OF GUARANTEED ISSUE PROTECTIONS**  
 24 **TO LARGE GROUP MARKET.**

25 (a) IN GENERAL.—Section 2711 of the Public Health  
 26 Service Act (42 U.S.C. 300g–11) is amended—

1           (1) by striking “SMALL GROUP”, “SMALL  
2       GROUP”, and “small group” each place it appears  
3       and inserting “RELEVANT GROUP”, “RELEVANT  
4       GROUP”, and “relevant group”, respectively;

5           (2) in paragraph (1)(A), by striking “small em-  
6       ployer (as defined in section 2791(e)(4))” and insert-  
7       ing “relevant employer (as defined in subsection  
8       (b)(2))”;

9           (3) by striking “small employer” and “small  
10      employers” each other place it appears and inserting  
11      “relevant employer” and “relevant employers”, re-  
12      spectively; and

13          (4) by striking subsection (b) and inserting the  
14      following:

15      “(b) RELEVANT EMPLOYER AND GROUP DEFINED.—  
16      For purposes of this subpart:

17          “(1) RELEVANT EMPLOYER.—The term ‘rel-  
18      evant employer’ means—

19              “(A) for periods before January 1, 2000, a  
20      small employer (as defined in section  
21      2791(e)(4)),

22              “(B) for the period beginning on January  
23      1, 2000, and ending December 31, 2001, an  
24      employer that would be a small employer if

1           ‘100’ were substituted for ‘50’ in section  
2           2791(e)(4), and

3           “(C) for the period beginning on January  
4           1, 2002, any employer.

5           “(2) RELEVANT GROUP MARKET.—The term  
6           ‘relevant group market’ means—

7           “(A) for periods before January 1, 2000,  
8           the small group market,

9           “(B) for the period beginning on January  
10          1, 2000, and ending December 31, 2001, the  
11          small group market and the market that would  
12          be included in the small group market if ‘100’  
13          were substituted for ‘50’ in section 2791(e)(4),  
14          and

15          “(C) for the period beginning on January  
16          1, 2002, the small and large group market.”.

17          (b) APPLICATION OF INFORMATION DISCLOSURE TO  
18          RELEVANT GROUP MARKET.—Section 2713 of such Act  
19          (42 U.S.C. 300gg–13) is amended—

20               (1) in subsection (a), by striking “small em-  
21               ployer” the first place it appears and inserting “rel-  
22               evant employer (as defined in section 2711(b)(1))”,  
23               and

24               (2) by striking “small employer” and “small  
25               employers” each succeeding place it appears and in-

1       serting “relevant employer” and “relevant employ-  
2       ers”, respectively.

3       (c) CONFORMING CHANGES IN GUARANTEED RE-  
4       NEWABILITY REQUIREMENTS.—Section 2712 of such Act  
5       (42 U.S.C. 300gg–12) is amended—

6               (1) effective January 1, 2000, by adding at the  
7       end the following new subsection:

8       “(f) TRANSITION.—For purposes of applying this  
9       section during the period beginning January 1, 2000, and  
10      ending December 31, 2001, any reference in paragraphs  
11      (2) and (4) of section 2791(e) to ‘51 employees’ and to  
12      ‘50 employees’, respectively, is deemed a reference to ‘101  
13      employees’ and to ‘100 employees’, respectively.”; and

14              (2) effective January 1, 2002—

15                      (A) in subsection (b), in the matter before  
16              paragraph (1), by striking “small or large”,

17                      (B) in subsection (b)(5), by striking “, in  
18              the case of the small group market,”,

19                      (C) in subsection (b)(6), by striking “in  
20              the small or large group market (as the case  
21              may be)” and inserting “in the group market”,

22                      (D) in subsection (c)(1), by striking “small  
23              or large”,

1           (E) in subsection (c)(1)(B), by striking  
2           “(or, in the case of the large group market,  
3           any)”,

4           (F) in subsection (c)(2)(A), by striking “in  
5           the small group market or the large group mar-  
6           ket, or both markets,” and inserting “in the  
7           group market”,

8           (G) in subsection (c)(2)(A)(ii), by striking  
9           “(or markets)” each place it appears,

10          (H) in subsection (d), by striking “offered  
11          to a group health plan” and all that follows  
12          through “in such market” and inserting “of-  
13          fered to a group health plan in the group mar-  
14          ket”, and

15          (J) in subsection (e), by striking “small or  
16          large”.

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