

105TH CONGRESS
2D SESSION

H. R. 4401

To amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance may be obtained by Federal employees and annuitants.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 5, 1998

Mr. MICA introduced the following bill; which was referred to the Committee on Government Reform and Oversight

A BILL

To amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance may be obtained by Federal employees and annuitants.

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 “Civil Service Long-
5 Term Care Insurance Benefit Act”.

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

2 (a) IN GENERAL.—Subpart G of part III of title 5,
 3 United States Code, is amended by adding at the end the
 4 following:

5 **“CHAPTER 90—LONG-TERM CARE INSURANCE**

“Sec.

“9001. Definitions.

“9002. Availability of insurance.

“9003. Participating carriers.

“9004. Administrative functions.

“9005. Coordination with State laws.

“9006. Commercial items.

6 **“§ 9001. Definitions**

7 “For purposes of this chapter:

8 “(1) EMPLOYEE.—The term ‘employee’ has the
 9 meaning given such term by section 8901, but does
 10 not include an individual employed by the govern-
 11 ment of the District of Columbia.

12 “(2) ANNUITANT.—The term ‘annuitant’
 13 means—

14 “(A) a former employee who, based on the
 15 service of that individual, receives an annuity
 16 under subchapter III of chapter 83, chapter 84,
 17 or another retirement system for employees of
 18 the Government (disregarding title XVIII of the
 19 Social Security Act and any retirement system
 20 established for employees described in section
 21 2105(c)); and

1 “(B) any individual who receives an annu-
2 ity under any retirement system referred to in
3 subparagraph (A) (disregarding those described
4 parenthetically) as the surviving spouse of an
5 employee (including an amount under section
6 8442(b)(1)(A), whether or not an annuity
7 under section 8442(b)(1)(B) is also payable) or
8 of a former employee under subparagraph (A);
9 but does not include a former employee of a Govern-
10 ment corporation excluded by regulation of the Of-
11 fice of Personnel Management or the spouse of such
12 a former employee.

13 “(3) ELIGIBLE RELATIVE.—The term ‘eligible
14 relative’, as used with respect to an employee or an-
15 nuitant, means each of the following:

16 “(A) The spouse of the employee or annu-
17 itant.

18 “(B) The father or mother of the employee
19 or annuitant, or an ancestor of either.

20 “(C) A stepfather or stepmother of the em-
21 ployee or annuitant.

22 “(D) The father-in-law or mother-in-law of
23 the employee or annuitant.

24 “(E) A son or daughter of the employee or
25 annuitant who is at least 18 years of age.

1 “(F) A stepson or stepdaughter of the em-
2 ployee or annuitant who is at least 18 years of
3 age.

4 “(4) GOVERNMENT.—The term ‘Government’
5 means the Government of the United States, includ-
6 ing an agency or instrumentality thereof.

7 “(5) GROUP LONG-TERM CARE INSURANCE.—
8 The term ‘group long-term care insurance’ means
9 group long-term care insurance purchased by the Of-
10 fice of Personnel Management under this chapter.

11 “(6) INDIVIDUAL LONG-TERM CARE INSUR-
12 ANCE.—The term ‘individual long-term care insur-
13 ance’ means any long-term care insurance offered
14 under this chapter which is not group long-term care
15 insurance.

16 “(7) QUALIFIED CARRIER.—A carrier shall be
17 considered to be a ‘qualified carrier’, with respect to
18 a State, if it is licensed to issue group or individual
19 long-term care insurance (as the case may be) under
20 the laws of such State.

21 “(8) QUALIFIED LONG-TERM CARE INSURANCE
22 CONTRACT.—The term ‘qualified long-term care in-
23 surance contract’ has the meaning given such term
24 by section 7702B of the Internal Revenue Code of
25 1986.

1 “(9) STATE.—The term ‘State’ means a State,
2 the District of Columbia, the Commonwealth of
3 Puerto Rico, the Commonwealth of the Northern
4 Mariana Islands, the Trust Territory of the Pacific
5 Islands, the Virgin Islands, Guam, American Samoa,
6 and any other territory or possession of the United
7 States.

8 **“§ 9002. Availability of insurance**

9 “(a) IN GENERAL.—The Office of Personnel Manage-
10 ment shall establish and administer a program through
11 which employees and annuitants may obtain group or indi-
12 vidual long-term care insurance for themselves, a spouse,
13 or, to the extent permitted under the terms of the contract
14 of insurance involved, any other eligible relative.

15 “(b) GENERAL REQUIREMENTS.—Long-term care in-
16 surance may not be offered under this chapter unless—

17 “(1) the only insurance protection provided is
18 coverage under qualified long-term care insurance
19 contracts; and

20 “(2) the insurance contract under which such
21 coverage is provided is issued by a qualified carrier.

22 “(c) REQUIREMENT THAT CONTRACT BE FULLY IN-
23 SURED.—In addition to the requirements otherwise appli-
24 cable under section 9001(8), in order to be considered a
25 qualified long-term care insurance contract for purposes

1 of this chapter, a contract must be fully insured, whether
2 through reinsurance with other companies or otherwise.

3 “(d) COVERAGE NOT REQUIRED FOR INDIVIDUALS
4 WHO WOULD BE IMMEDIATELY BENEFIT ELIGIBLE.—
5 Nothing in this chapter shall be considered to require that
6 long-term care insurance coverage be made available in the
7 case of any individual who would be immediately benefit
8 eligible.

9 **“§ 9003. Participating carriers**

10 “(a) IDENTIFICATION OF PARTICIPATING CAR-
11 RIERS.—The Office of Personnel Management shall, be-
12 fore the start of each year—

13 “(1) identify each carrier through whom any
14 long-term care insurance may be obtained under this
15 chapter during such year; and

16 “(2) prepare a list of the carriers identified
17 under paragraph (1), and a summary description of
18 the insurance obtainable under this chapter from
19 each.

20 “(b) APPLICATION REQUIREMENTS, ETC.—In order
21 to carry out its responsibilities under subsection (a), the
22 Office shall annually specify the timetable (including any
23 application deadlines) and other procedures that must be
24 followed by carriers seeking to be allowed to offer long-

1 term care insurance under this chapter during the follow-
2 ing year.

3 “(c) INFORMATION TO PERMIT INFORMED DECISIONMAKING.—The Office shall in a timely manner before
4 the start of each year—

6 “(1) publish in the Federal Register the list
7 (and summary description) prepared under sub-
8 section (a) for such year; and

9 “(2) make available to each individual eligible
10 to obtain long-term care insurance under this chap-
11 ter such information, in a form acceptable to the Of-
12 fice after consultation with the carrier, as may be
13 necessary to enable the individual to exercise an in-
14 formed choice among the various options available
15 under this chapter.

16 “(d) POLICY OR BENEFIT CERTIFICATE.—The Office
17 shall arrange to have the appropriate individual or individ-
18 uals receive a copy of any policy of insurance obtained
19 under this chapter or, in the case of group long-term care
20 insurance, a certificate setting forth the benefits to which
21 an individual is entitled, to whom the benefits are payable,
22 and the procedures for obtaining benefits, and summariz-
23 ing the provisions of the policy principally affecting the
24 individual or individuals involved. Any such certificate

1 shall be issued instead of the certificate which the insur-
 2 ance company would otherwise be required to issue.

3 **“§ 9004. Administrative functions**

4 “(a) IN GENERAL.—Except as provided in section
 5 9003, the sole functions of the Office of Personnel Man-
 6 agement under this chapter shall be as follows:

7 “(1) ENROLLMENT PERIODS.—To provide rea-
 8 sonable opportunity (consisting of not less than one
 9 continuous 30-day period each year) for eligible em-
 10 ployees and annuitants to obtain long-term care in-
 11 surance coverage under this chapter.

12 “(2) WITHHOLDINGS.—To provide for a means
 13 by which the cost of any long-term care insurance
 14 coverage obtained under this chapter may be paid
 15 for through withholdings from the pay or annuity of
 16 the employee or annuitant involved.

17 “(3) CONTRACT AUTHORITY RELATING TO
 18 GROUP LONG-TERM CARE INSURANCE.—To contract
 19 for a qualified long-term care insurance contract (in
 20 the case of group long-term care insurance) with
 21 each qualified carrier that offers such insurance, so
 22 long as such carrier submits a timely application
 23 under section 9003(b) and complies with such other
 24 procedural rules as the Office may prescribe.

1 “(b) LIMITATIONS ON AUTHORITY.—Nothing in this
 2 chapter shall be considered to permit or require the Of-
 3 fice—

4 “(1) to prevent from being offered under this
 5 chapter any individual long-term care insurance
 6 under a qualified contract therefor; or

7 “(2) to prescribe or negotiate over the benefits
 8 to be offered, or any of the terms or conditions
 9 under which any such benefits shall be offered,
 10 under this chapter.

11 **“§ 9005. Coordination with State laws**

12 “(a) IN GENERAL.—The provisions of any contract
 13 under this chapter for group long-term care insurance may
 14 include provisions to supersede and preempt any provi-
 15 sions of State or local law described in subsection (b), or
 16 any regulation issued thereunder.

17 “(b) DESCRIPTION.—This subsection applies with re-
 18 spect to any provision of law which in effect carries out
 19 the same policy as section 5 of the long-term care insur-
 20 ance model Act, promulgated by the National Association
 21 of Insurance Commissioners (as adopted as of September
 22 1997).

23 **“§ 9006. Commercial items**

24 “For purposes of the Office of Federal Procurement
 25 Policy Act, a long-term care insurance contract under this

1 chapter shall be considered a commercial item, as defined
 2 by section 4(12) of such Act.”.

3 (b) CONFORMING AMENDMENT.—The analysis for
 4 part III of title 5, United States Code, is amended by add-
 5 ing at the end of subpart G the following:

“90. Long-Term Care Insurance 9001”.

6 **SEC. 3. EFFECTIVE DATE.**

7 The Office of Personnel Management shall take such
 8 measures as may be necessary to ensure that long-term
 9 care insurance coverage under title 5, United States Code,
 10 as amended by this Act, may be obtained in time to take
 11 effect beginning on the first day of the first applicable pay
 12 period beginning on or after January 1, 2000.

