

105TH CONGRESS  
2D SESSION

# S. 2477

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.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 16, 1998

Mr. GRASSLEY (for himself and Mr. GRAHAM) introduced the following bill;  
which was read twice and referred to the Committee on Governmental Affairs

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## 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 RRIERS.—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.

