

106TH CONGRESS  
2D SESSION

# H. R. 3528

To provide health benefits for workers and their families.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 24, 2000

Mr. PALLONE introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committees on Commerce, Ways and Means, Government Reform, and Armed Services, 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 provide health benefits for workers and their families.

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 Care for Work-  
5       ing Families Act of 2000”.

6       **SEC. 2. FINDINGS.**

7       Congress finds that—

8               (1) every industrialized country in the world ex-  
9       cept the United States guarantees the fundamental  
10      right to health care to all its citizens;

1           (2) 44,000,000 Americans are without health  
2 insurance coverage;

3           (3) the number of uninsured Americans is  
4 growing every year;

5           (4) the vast majority of uninsured Americans  
6 are workers or dependents of workers;

7           (5) for more than half a century, Congress has  
8 enacted laws to ensure that work is appropriately re-  
9 warded, including laws establishing a minimum wage  
10 and a 40 hour work week, laws ensuring safe and  
11 healthy working conditions, and laws requiring em-  
12 ployers to contribute to the cost of retirement secu-  
13 rity through Social Security and Medicare; and

14           (6) as the United States approaches the 21st  
15 century, it is time to enact requirements guaran-  
16 teeing that jobs carry with them affordable, ade-  
17 quate health insurance benefits.

18 **SEC. 3. HEALTH BENEFITS FOR EMPLOYEES AND THEIR**  
19 **FAMILIES.**

20           (a) IN GENERAL.—The Fair Labor Standards Act of  
21 1938 (29 U.S.C. 201 et seq.) is amended by adding at  
22 the end thereof the following new title:

1 **“TITLE II—HEALTH BENEFITS**  
2 **FOR EMPLOYEES AND THEIR**  
3 **FAMILIES**

4 **“SEC. 201. HEALTH BENEFITS.**

5 “(a) OFFER TO ENROLL.—

6 “(1) IN GENERAL.—Each large employer, in ac-  
7 cordance with this title, shall offer to each of its em-  
8 ployees the opportunity to enroll in a qualifying  
9 health benefit plan that provides coverage for the  
10 employee and the family of the employee.

11 “(2) QUALIFYING HEALTH BENEFIT PLAN.—

12 For purposes of this title, the term ‘qualifying  
13 health benefit plan’ means a plan that provides ben-  
14 efits for health care items and services that are  
15 actuarially equivalent or greater in value than the ben-  
16 efits offered as of January 1, 2000, under the Blue  
17 Cross/Blue Shield Standard Plan provided under the  
18 Federal Employees Health Benefit Program under  
19 chapter 89 of title 5, United States Code, and that  
20 meets the requirements of title XXVII of the Public  
21 Health Service Act applicable to the plan.

22 “(b) CONTRIBUTION AND WITHHOLDING.—

23 “(1) IN GENERAL.—Each large employer, in ac-  
24 cordance with this title, shall—

1           “(A) contribute to the cost of any quali-  
2           fying health benefit plan offered to its employ-  
3           ees under subsection (a); and

4           “(B) withhold from the wages of an em-  
5           ployee, the employee share of the premium as-  
6           sessed for coverage under the qualifying health  
7           benefit plan.

8           “(2) REQUIRED CONTRIBUTION.—Except as  
9           provided in paragraphs (3) and (4), the portion of  
10          the total premium to be paid by a large employer  
11          under paragraph (1)(A) shall not be less than the  
12          portion of the total premium that the Federal Gov-  
13          ernment contributes under the Blue Cross/Blue  
14          Shield Standard Plan provided under the Federal  
15          Employees Health Benefit Program under chapter  
16          89 of title 5, United States Code.

17          “(3) PART-TIME EMPLOYEES.—With respect to  
18          an employee who works less than 30 hours per week,  
19          the employer contribution required under paragraph  
20          (2) shall be equal to the product of—

21                 “(A) the contribution required under para-  
22                 graph (2); and

23                 “(B) the ratio of number of hours worked  
24                 by the employee in a typical week to 30 hours.

1           “(4) LIMITATION.—No employer contribution  
2       shall be required under this subsection with respect  
3       to an employee who works less than 10 hours per  
4       week.

5           “(c) EMPLOYEE OBLIGATION UNDER CERTAIN PRO-  
6       GRAMS.—

7           “(1) IN GENERAL.—With respect to an em-  
8       ployee covered under a Federal health insurance pro-  
9       gram (as defined in paragraph (3)), such employee  
10      shall accept an offer of health insurance coverage  
11      under subsection (a) and agree to the appropriate  
12      payroll withholdings under subsection (b)(1)(B) for  
13      such coverage or provide for the payment of the em-  
14      ployee share of premiums under paragraph (2), ex-  
15      cept that this subsection shall not apply—

16           “(A) with respect to an employee who is  
17           otherwise covered under an employment-based  
18           qualified health benefit plan; or

19           “(B) with respect to the coverage of a fam-  
20           ily member of an employee if the employee does  
21           not elect coverage for such family member and  
22           the family member is otherwise covered under  
23           an employment-based qualified health benefit  
24           plan.

1           “(2) PAYMENT OF PREMIUMS.—At the request  
2           of an employee to which paragraph (1) applies, the  
3           relevant Federal administrator of the Federal health  
4           insurance program involved shall provide for the  
5           payment of the employee share of the premium as-  
6           sessed for coverage under the qualifying health ben-  
7           efit plan involved. For purposes of title XIX of the  
8           Social Security Act (42 U.S.C. 1396 et seq.), the re-  
9           quirement of this paragraph shall be deemed to be  
10          a requirement under the appropriate State plan  
11          under such title XIX.

12          “(3) FEDERAL HEALTH INSURANCE PRO-  
13          GRAM.—As used in this subsection, the term ‘Fed-  
14          eral health insurance program’ means—

15               “(A) the medicare or medicaid program  
16               under title XVIII or XIX of the Social Security  
17               Act (42 U.S.C. 1395 or 1396 et seq.);

18               “(B) the Federal employee health benefit  
19               program under chapter 89 of title V, United  
20               States Code; or

21               “(C) the Civilian Health and Medical Pro-  
22               gram of the Uniformed Services (CHAMPUS),  
23               as defined in section 1073(4) of title 10, United  
24               States Code.

25          “(d) LARGE EMPLOYERS.—

1           “(1) IN GENERAL.—The provisions of this title  
2       shall only apply to large employers.

3           “(2) DEFINITION.—

4                   “(A) IN GENERAL.—As used in paragraph  
5       (1), the term ‘large employer’ means, with re-  
6       spect to a calendar year and plan year, an em-  
7       ployer that employed an average of at least 50  
8       full-time employees on business days during the  
9       preceding calendar year and who employs not  
10      less than 50 employees on the first day of the  
11      plan year.

12                  “(B) EXCEPTION.—The provisions of this  
13      title shall apply with respect to an employer  
14      that is not a large employer under subpara-  
15      graph (A) if the majority of the services per-  
16      formed by such employer consist of services per-  
17      formed on behalf of a single large employer.

18           “(3) CONTRACT WORKERS.—For purposes of  
19      this title, a contract worker of an employer shall be  
20      considered to be an employee of the employer.

21   **“SEC. 202. REQUIREMENTS RELATING TO TIMING OF COV-**  
22                   **ERAGE AND WITHHOLDING.**

23           “(a) DATE OF INITIAL COVERAGE.—In the case of  
24      an employee enrolled under a qualifying health benefit  
25      plan provided by a large employer, the coverage under the

1 plan must begin not later than 30 days after the day on  
2 which the employee first performs an hour of service as  
3 an employee of that employer.

4 “(b) WITHHOLDING PERMITTED.—No provision of  
5 State law shall prevent an employer of an employee en-  
6 rolled under a qualifying health benefit plan established  
7 under this title from withholding the amount of any pre-  
8 mium due by the employee from the payroll of the em-  
9 ployee.

10 **“SEC. 203. ENFORCEMENT.**

11 “(a) CIVIL MONEY PENALTY AGAINST PRIVATE EM-  
12 PLOYERS.—The provisions of section 502—

13 “(1) relating to the commencement of civil ac-  
14 tions by the Secretary under subsection (a) of such  
15 section;

16 “(2) relating to civil money penalties under sub-  
17 section (c)(2) of such section; and

18 “(3) relating to the procedures for assessing,  
19 collecting and the judicial review of such civil money  
20 penalties;

21 shall apply with respect to any large employer that does  
22 not comply with this title.

23 “(b) INJUNCTIVE RELIEF.—The provisions of section  
24 17 shall apply with respect to violations of this title.



1 **“SEC. 204. PREEMPTION.**

2 “Nothing in this title shall be construed to prevent  
3 a State from establishing, implementing, or continuing in  
4 effect standards and requirements relating to employer  
5 provided health insurance coverage unless such standards  
6 and requirements prevent the application of the require-  
7 ments of this title.

8 **“SEC. 205. DEFINITION AND EFFECTIVE DATE.**

9 “(a) DEFINITION.—In this title the terms ‘family’  
10 and ‘family member’ mean, with respect to an employee,  
11 the spouse and children (including adopted children) of  
12 the employee.

13 “(b) EFFECTIVE DATE.—

14 “(1) IN GENERAL.—Except as provided in para-  
15 graph (2), this title shall apply with respect to em-  
16 ployers on January 1, 2001.

17 “(2) COLLECTIVE BARGAINING AGREEMENTS.—

18 This title shall apply with respect to employees cov-  
19 ered under a collective bargaining agreement on the  
20 first day of the first plan year beginning after the  
21 date of enactment of this Act, or January 1, 2001,  
22 whichever occurs later.”.

23 (b) CONFORMING AMENDMENTS.—

24 (1) The Fair Labor Standards Act of 1938 is  
25 amended by striking out the first section and insert-  
26 ing in lieu thereof the following:

1 **“SECTION 1. SHORT TITLE.**

2 “This Act may be cited as the ‘Fair Labor Standards  
3 Act of 1938’.

4 **“TITLE I—WAGES AND HOURS”.**

5 (2) The Fair Labor Standards Act of 1938 is  
6 amended by striking out “this Act” each place it oc-  
7 curs and inserting in lieu thereof “this title”.

8 (3) Section 17 of the Fair Labor Standards Act  
9 of 1938 (29 U.S.C. 217) is amended by inserting  
10 “or violations of title II” before the period.

11 **SEC. 4. AMENDMENT TO PUBLIC HEALTH SERVICE ACT.**

12 Title II of the Public Health Service Act (42 U.S.C.  
13 202 et seq.) is amended by adding at the end the fol-  
14 lowing:

15 **“SEC. 247. REQUIREMENT FOR HEALTH INSURANCE COV-  
16 ERAGE.**

17 “A health insurance issuer (as defined in section  
18 2791(a)) that offers health insurance coverage (as defined  
19 in section 2791(a)) to an employer on behalf of the em-  
20 ployees of such employer shall ensure that such coverage  
21 complies with the requirements of title II of the Fair  
22 Labor Standards Act of 1938.”.

