

107TH CONGRESS
2D SESSION

S. 1916

To provide unemployed workers with health coverage assistance.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 7, 2002

Mr. DAYTON introduced the following bill; which was read twice and referred
to the Committee on Finance

A BILL

To provide unemployed workers with health coverage
assistance.

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 Assistance
5 for America’s Unemployed Workers Act of 2002”.

6 **SEC. 2. PREMIUM ASSISTANCE FOR COBRA CONTINUATION**

7 **COVERAGE FOR INDIVIDUALS AND THEIR**
8 **FAMILIES.**

9 (a) ESTABLISHMENT.—

10 (1) IN GENERAL.—Not later than 30 days after
11 the date of enactment of this Act, the Secretary of

1 the Treasury, in consultation with the Secretary of
2 Labor, shall establish a program under which 75
3 percent of the premium for COBRA continuation
4 coverage shall be provided for an individual who—

5 (A) at any time during the period that be-
6 gins on January 1, 2001, and ends on Decem-
7 ber 31, 2002, is separated from employment;
8 and

9 (B) is eligible for, and has elected coverage
10 under, COBRA continuation coverage.

11 (2) INCLUSION OF CERTAIN INDIVIDUALS.—For
12 purposes of paragraph (1), the spouse, child, or
13 other individual who was an insured under health in-
14 surance coverage of an individual who was killed as
15 a result of the terrorist-related aircraft crashes on
16 September 11, 2001, or as a result of any other ter-
17 rorist-related event occurring during the period de-
18 scribed in that paragraph, and who is eligible for,
19 and has elected coverage under, COBRA continu-
20 ation coverage shall be eligible for premium assist-
21 ance under the program established under this sec-
22 tion.

23 (3) STATE OPTION TO ELECT ADMINISTRATION
24 OF PROGRAM.—

10 (B) STATE ENTITLEMENT.—In the case of
11 a State that submits a plan under subpara-
12 graph (A), the Secretary of the Treasury shall
13 pay to each such State an amount for each
14 quarter equal to the total amount of premium
15 subsidies provided in that quarter on behalf of
16 such individuals.

22 (b) LIMITATION OF PERIOD OF PREMIUM ASSIST-
23 ANCE.—

4 (A) the date the individual is no longer
5 covered under COBRA continuation coverage;
6 or

7 (B) 12 months after the date the individual
8 is first enrolled in the premium assistance
9 program established under this section.

14 (c) PAYMENT ARRANGEMENTS; CREDITING OF AS-
15 SISTANCE.—

16 (1) PROVISION OF ASSISTANCE.—

15 (d) PROGRAM REQUIREMENTS.—Premium assistance
16 shall be provided under the program established under this
17 section consistent with the following:

23 (2) SELECTION ON FIRST-COME, FIRST-SERVED
24 BASIS.—Such assistance shall be provided to such

1 individuals who apply for the assistance in the order
2 in which they apply.

3 (e) LIMITATION ON ENTITLEMENT.—Nothing in this
4 section shall be construed as establishing any entitlement
5 of individuals described in paragraph (1) or (2) of sub-
6 section (a) to premium assistance under this section.

7 (f) DISREGARD OF SUBSIDIES FOR PURPOSES OF
8 FEDERAL AND STATE PROGRAMS.—Notwithstanding any
9 other provision of law, any premium assistance provided
10 to, or on behalf of, an individual under this section, shall
11 not be considered income or resources in determining eligi-
12 bility for, or the amount of assistance or benefits provided
13 under, any other Federal public benefit or State or local
14 public benefit.

15 (g) CHANGE IN COBRA NOTICE.—

16 (1) GENERAL NOTICE.—

17 (A) IN GENERAL.—In the case of notices
18 provided under section 4980B(f)(6) of the In-
19 ternal Revenue Code of 1986, section 2206 of
20 the Public Health Service Act (42 U.S.C.
21 300bb-6), section 606 of the Employee Retire-
22 ment Income Security Act of 1974 (29 U.S.C.
23 1166), or section 8905a(f)(2)(A) of title 5,
24 United States Code, with respect to individuals
25 who, during the period described in subsection

1 (a)(1)(A), become entitled to elect COBRA con-
2 tinuation coverage, such notices shall include an
3 additional notification to the recipient of the
4 availability of premium assistance for such cov-
5 erage under this section and for temporary
6 medicaid assistance under section 4 for the re-
7 maining portion of COBRA continuation pre-
8 miums.

9 (B) ALTERNATIVE NOTICE.—In the case of
10 COBRA continuation coverage to which the no-
11 tice provision under such sections does not
12 apply, the Secretary of the Treasury, in con-
13 sultation with the Secretary of Labor, shall, in
14 coordination with administrators of the group
15 health plans (or other entities) that provide or
16 administer the COBRA continuation coverage
17 involved, assure the provision of such notice.

18 (C) FORM.—The requirement of the addi-
19 tional notification under this paragraph may be
20 met by amendment of existing notice forms or
21 by inclusion of a separate document with the
22 notice otherwise required.

23 (2) SPECIFIC REQUIREMENTS.—Each additional
24 notification under paragraph (1) shall include—

7 (B) the name, address, and telephone num-
8 ber necessary to contact the administrator and
9 any other person maintaining relevant informa-
10 tion in connection with the premium assistance;
11 and

12 (C) the following statement displayed in a
13 prominent manner:

14 “You may be eligible to receive assistance with pay-
15 ment of 75 percent of your COBRA continuation coverage
16 premiums and with temporary medicaid coverage for the
17 remaining premium portion for a duration of not to exceed
18 12 months.”.

1 this Act, the administrator of the group health plan
2 (or other entity) involved or the Secretary of the
3 Treasury, in consultation with the Secretary of
4 Labor, (in the case described in the paragraph
5 (1)(B)) shall provide (within 60 days after the date
6 of enactment of this Act) for the additional notifica-
7 tion required to be provided under paragraph (1).

8 (4) MODEL NOTICES.—Not later than 30 days
9 after the date of enactment of this Act, the Sec-
10 retary of the Treasury shall prescribe models for the
11 additional notification required under this sub-
12 section.

13 (h) TEMPORARY EXTENSION OF ELECTION PERIOD
14 FOR CERTAIN SEPARATED INDIVIDUALS.—

15 (1) IN GENERAL.—Notwithstanding any other
16 provision of law, the election period for COBRA con-
17 tinuation coverage with respect to any eligible work-
18 er for whom such period has expired as of the date
19 of enactment of this Act, shall not end before the
20 date that is 60 days after the date the individual re-
21 ceives the additional notice required under sub-
22 section (g)(3).

23 (2) PREEXISTING CONDITIONS.—If an indi-
24 vidual is entitled to an additional notice under sub-
25 section (g)(3), any period before the receipt of such

1 notice shall be disregarded for purposes of deter-
2 mining the 63-day periods referred to in section
3 701(c)(2) of the Employee Retirement Income Secu-
4 rity Act of 1974 (29 U.S.C. 1181(c)(2)), section
5 2701(c)(2) of the Public Health Service Act (42
6 U.S.C. 300gg(c)(2)), and section 9801(c)(2) of the
7 Internal Revenue Code of 1986.

8 (i) REPORTS.—Beginning on the date that is 3
9 months after the date of enactment of this Act, and every
10 3 months thereafter until January 1, 2003, the Secretary
11 of the Treasury shall submit a report to Congress regard-
12 ing the premium assistance program established under
13 this section that includes the following:

14 (1) The status of the implementation of the
15 program.

16 (2) The number of individuals provided assist-
17 ance under the program as of the date of the report.

18 (3) The average dollar amount (monthly and
19 annually) of the premium assistance provided under
20 the program.

21 (4) The number and identification of the States
22 that have elected to administer the program.

23 (5) The total amount of expenditures incurred
24 (with administrative expenditures noted separately)
25 under the program as of the date of the report.

1 (j) APPROPRIATION.—

11 (k) SUNSET.—No premium assistance (including
12 payment for such assistance) may be provided under this
13 section after March 31, 2003.

14 SEC. 3. STATE OPTION TO PROVIDE TEMPORARY MEDICAID
15 COVERAGE FOR CERTAIN UNINSURED INDIVIDUALS.
16

17 (a) STATE OPTION.—Notwithstanding any other pro-
18 vision of law, a State may elect to provide under its med-
19 icaid program under title XIX of the Social Security Act
20 medical assistance in the case of an individual—

21 (1) who at any time during the period that be-
22 gins on January 1, 2001, and ends on December 31,
23 2002, is separated from employment;

24 (2) who is not eligible for COBRA continuation
25 coverage;

1 (3) who is uninsured; and

(4) whose assets, resources, and earned or un-
earned income (or both) do not exceed such limita-
tions (if any) as the State may establish.

5 (b) LIMITATION OF PERIOD OF COVERAGE.—Medical
6 assistance provided in accordance with this section shall
7 end with respect to an individual on the earlier of—

10 (2) subject to subsection (c)(4), 12 months
11 after the date the individual first receives such as-
12 sistance.

13 (c) SPECIAL RULES.—In the case of medical assist-
14 ance provided under this section—

20 (2) a State may elect to apply any income,
21 asset, or resource limitation permitted under the
22 State medicaid plan or under title **XIX** of such Act;

23 (3) the provisions of section 1916(g) of the So-
24 cial Security Act (42 U.S.C. 1396o) shall apply to
25 the provision of such assistance in the same manner

1 as the provisions of such section apply with respect
2 to individuals provided medical assistance only under
3 subclause (XV) or (XVI) of section
4 1902(a)(10)(A)(ii) of such Act (42 U.S.C.
5 1396a(a)(10)(A)(ii));

6 (4) a State may elect to provide such assistance
7 in accordance with section 1902(a)(34) of the Social
8 Security Act (42 U.S.C. 1396a(a)(34)) and any as-
9 sistance provided with respect to a month described
10 in that section shall not be included in the deter-
11 mination of the 12-month period under subsection
12 (b)(2);

13 (5) a State may elect to make eligible for such
14 medical assistance a dependent spouse or children of
15 an individual eligible for medical assistance under
16 subsection (a), if such spouse or children are unin-
17 sured;

18 (6) individuals eligible for medical assistance
19 under this section shall be deemed to be described
20 in the list of individuals described in the matter pre-
21 ceding paragraph (1) of section 1905(a) of such Act
22 (42 U.S.C. 1396d(a));

23 (7) a State may elect to provide such medical
24 assistance without regard to any limitation under
25 sections 401(a), 402(b), 403, and 421 of the Per-

1 sonal Responsibility and Work Opportunity Rec-
2 onciliation Act of 1996 (8 U.S.C. 1611(a), 1612(b),
3 1613, and 1631) and no debt shall accrue under an
4 affidavit of support against any sponsor of an indi-
5 vidual who is an alien who is provided such assist-
6 ance, and the cost of such assistance shall not be
7 considered as an unreimbursed cost; and

17 (d) SUNSET.—No medical assistance may be provided
18 under this section after March 31, 2003.

19 SEC. 4. STATE OPTION TO PROVIDE TEMPORARY COV-
20 ERAGE UNDER MEDICAID FOR THE UNSUB-
21 SIDIZED PORTION OF COBRA CONTINUATION
22 PREMIUMS.

23 (a) STATE OPTION.—

24 (1) IN GENERAL.—Notwithstanding any other
25 provision of law, a State may elect to provide under

1 its medicaid program under title XIX of the Social
2 Security Act medical assistance in the form of pay-
3 ment for the portion of the premium for COBRA
4 continuation coverage for which an individual does
5 not receive a subsidy under the premium assistance
6 program established under section 2 in the case of
7 an individual—

8 (A) who at any time during the period that
9 begins on January 1, 2001, and ends on De-
10 cember 31, 2002, is separated from employ-
11 ment;

12 (B) who is eligible for, and has elected cov-
13 erage under, COBRA continuation coverage;

14 (C) who is receiving premium assistance
15 under the program established under section 2;
16 and

17 (D) whose family income does not exceed
18 200 percent of the poverty line.

19 (2) INCLUSION OF CERTAIN INDIVIDUALS.—For
20 purposes of paragraph (1), the spouse, child, or
21 other individual who was an insured under health in-
22 surance coverage of an individual who was killed as
23 a result of the terrorist-related aircraft crashes on
24 September 11, 2001, or as a result of any other ter-
25 rorist-related event occurring during the period de-

1 scribed in that paragraph, and who satisfies the re-
2 quirements of subparagraphs (B), (C), and (D) of
3 paragraph (1) shall be eligible for medical assistance
4 under this section.

5 (b) LIMITATION OF PERIOD OF COVERAGE.—Medical
6 assistance provided in accordance with this section shall
7 end with respect to an individual on the earlier of—

8 (1) the date the individual is no longer covered
9 under COBRA continuation coverage; or
10 (2) 12 months after the date the individual first
11 receives such assistance under this section.

12 (c) SPECIAL RULES.—In the case of medical assist-
13 ance provided under this section—

14 (1) such assistance may be provided without re-
15 gard to—

16 (A) whether the State otherwise has elect-
17 ed to make medical assistance available for
18 COBRA premiums under section
19 1902(a)(10)(F) of the Social Security Act (42
20 U.S.C. 1396a(a)(10)(F)); or

21 (B) the conditions otherwise imposed for
22 the provision of medical assistance for such
23 COBRA premiums under clause (XII) of the
24 matter following section 1902(a)(10)(G) of the
25 Social Security Act (42 U.S.C.

1 1396a(a)(10)(G)), or paragraphs (1)(B),
2 (1)(C), (1)(D), and (4) of section 1902(u) of
3 such Act (42 U.S.C. 1396a(u)); and
4 (2) paragraphs (1), (2), (4), (5), (7), and (8)
5 of subsection (c) of section 3 apply to such assist-
6 ance in the same manner as such paragraphs apply
7 to the provision of medical assistance under that sec-
8 tion.

9 (d) SUNSET.—No medical assistance may be provided
10 under this section after March 31, 2003.

11 **SEC. 5. DEFINITIONS.**

12 In this Act:

13 (1) ADMINISTRATOR.—The term “adminis-
14 trator” has the meaning given that term in section
15 3(16)(A) of the Employee Retirement Income Secu-
16 rity Act of 1974 (29 U.S.C. 1002(16)(A)).

17 (2) COBRA CONTINUATION COVERAGE.—

18 (A) IN GENERAL.—The term “COBRA
19 continuation coverage” means coverage under a
20 group health plan provided by an employer pur-
21 suant to title XXII of the Public Health Service
22 Act, section 4980B of the Internal Revenue
23 Code of 1986, part 6 of subtitle B of title I of
24 the Employee Retirement Income Security Act

1 of 1974, or section 8905a of title 5, United
2 States Code.

3 (B) APPLICATION TO EMPLOYERS IN
4 STATES REQUIRING SUCH COVERAGE.—Such
5 term includes such coverage provided by an em-
6 ployer in a State that has enacted a law that
7 requires the employer to provide such coverage
8 even though the employer would not otherwise
9 be required to provide such coverage under the
10 provisions of law referred to in subparagraph
11 (A).

12 (3) COVERED EMPLOYEE.—The term “covered
13 employee” has the meaning given that term in sec-
14 tion 607(2) of the Employee Retirement Income Se-
15 curity Act of 1974 (29 U.S.C. 1167(2)).

16 (4) FEDERAL PUBLIC BENEFIT.—The term
17 “Federal public benefit” has the meaning given that
18 term in section 401(c) of the Personal Responsibility
19 and Work Opportunity Reconciliation Act of 1996 (8
20 U.S.C. 1611(c)).

21 (5) GROUP HEALTH PLAN.—The term “group
22 health plan” has the meaning given that term in sec-
23 tion 2791(a) of the Public Health Service Act (42
24 U.S.C. 300gg-91(a)) and in section 607(1) of the

1 Employee Retirement Income Security Act of 1974
2 (29 U.S.C. 1167(1)).

3 (6) HEALTH INSURANCE COVERAGE.—The term
4 “health insurance coverage” has the meaning given
5 that term in section 2791(b)(1) of the Public Health
6 Service Act (42 U.S.C. 300gg–91(b)(1)).

7 (7) MULTIEMPLOYER PLAN.—The term “multi-
8 employer plan” has the meaning given that term in
9 section 3(37) of the Employee Retirement Income
10 Security Act of 1974 (29 U.S.C. 1002(37)).

11 (8) POVERTY LINE.—The term “poverty line”
12 has the meaning given that term in section
13 2110(c)(5) of the Social Security Act (42 U.S.C.
14 1397jj(c)(5)).

15 (9) QUALIFIED BENEFICIARY.—The term
16 “qualified beneficiary” has the meaning given that
17 term in section 607(3) of the Employee Retirement
18 Income Security Act of 1974 (29 U.S.C. 1167(3)).

19 (10) STATE.—The term “State” has the mean-
20 ing given such term for purposes of title XIX of the
21 Social Security Act (42 U.S.C. 1396 et seq.).

22 (11) STATE OR LOCAL PUBLIC BENEFIT.—The
23 term “State or local public benefit” has the meaning
24 given that term in section 411(c) of the Personal

1 Responsibility and Work Opportunity Reconciliation
2 Act of 1996 (8 U.S.C. 1621(c)).

3 (12) UNINSURED.—

4 (A) IN GENERAL.—The term “uninsured”
5 means, with respect to an individual, that the
6 individual is not covered under—

7 (i) a group health plan;
8 (ii) health insurance coverage; or
9 (iii) a program under title XVIII,
10 XIX, or XXI of the Social Security Act
11 (other than under such title XIX pursuant
12 to section 3).

13 (B) EXCLUSION.—Such coverage under
14 clause (i) or (ii) shall not include coverage con-
15 sisting solely of coverage of excepted benefits
16 (as defined in section 2791(c) of the Public
17 Health Service Act (42 U.S.C. 300gg–91(c))).

○