

107TH CONGRESS
2D SESSION

S. 3119

To amend the Public Health Service Act to ensure the guaranteed renewability of individual health insurance coverage regardless of the health status-related factors of an enrollee.

IN THE SENATE OF THE UNITED STATES

OCTOBER 16, 2002

Mr. GRAHAM (for himself and Mr. FITZGERALD) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Public Health Service Act to ensure the guaranteed renewability of individual health insurance coverage regardless of the health status-related factors of an enrollee.

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 Fair-
5 ness Act”.

1 **SEC. 2. GUARANTEED RENEWABILITY OF INDIVIDUAL**
 2 **HEALTH INSURANCE COVERAGE.**

3 Section 2742 of the Public Health Service Act (42
 4 U.S.C. 300gg-42) is amended by adding at the end the
 5 following:

6 “(f) **PROHIBITION ON CERTAIN RECLASSIFICATIONS**
 7 **AND PREMIUM INCREASES.—**

8 “(1) **IN GENERAL.**—For purposes of this sec-
 9 tion, a health insurance issuer that provides indi-
 10 vidual health insurance coverage or health insurance
 11 coverage through an association (including bona fide
 12 association) to an individual shall be deemed to have
 13 failed to renew or continue in force coverage with re-
 14 spect to such individual in violation of this section
 15 if such issuer—

16 “(A) moves or reclassifies the individual
 17 from the class such individual is in at the time
 18 of issue of the contract based on a health sta-
 19 tus-related factor of the individual; or

20 “(B) increases the premiums assessed the
 21 individual for such coverage based on a health
 22 status-related factor of the individual.

23 “(2) **RULE OF CONSTRUCTION.**—Nothing in
 24 paragraph (1) shall be construed to prohibit a health
 25 insurance issuer from—

1 “(A) terminating or discontinuing coverage
2 or a class of coverage in accordance with sub-
3 sections (b) and (c); or

4 “(B) raising premium rates for all policy
5 holders based on claims experience.”.

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