

108TH CONGRESS
2D SESSION

S. 2161

To amend title 5, United States Code, to establish a national health program administered by the Office of Personnel Management to offer Federal employee health benefits plans to individuals who are not Federal employees, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 3, 2004

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

A BILL

To amend title 5, United States Code, to establish a national health program administered by the Office of Personnel Management to offer Federal employee health benefits plans to individuals who are not Federal employees, and for other purposes.

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 “Universal Access to
5 Affordable Insurance for all Americans Act of 2004”.

1 **SEC. 2. EXTENSION OF FEDERAL EMPLOYEE HEALTH IN-**
 2 **SURANCE.**

3 (a) IN GENERAL.—Subpart G of part III of title 5,
 4 United States Code, is amended by inserting after chapter
 5 89 the following:

6 **“CHAPTER 89A—HEALTH INSURANCE FOR**
 7 **NON-FEDERAL EMPLOYEES**

“Sec.

“8951. Definitions.

“8952. Health insurance for non-Federal employees.

“8953. Contract requirement.

“8954. Eligibility of non-Federal employees.

“8955. Alternative conditions to Federal employee health benefits plans.

8 **“§ 8951. Definitions**

9 “In this chapter—

10 “(1) the terms defined under section 8901 shall
 11 have the meanings given such terms under that sec-
 12 tion; and

13 “(2) the term ‘Office’ means the Office of Per-
 14 sonnel Management.

15 **“§ 8952. Health insurance for non-Federal employees**

16 “(a) The Office of Personnel Management shall ad-
 17 minister a health insurance program for non-Federal em-
 18 ployees in accordance with this chapter.

19 “(b) Except as provided under this chapter, the Of-
 20 fice shall prescribe regulations to apply the provisions of
 21 chapter 89 to the greatest extent practicable to eligible
 22 individuals covered under this chapter.

1 **“§ 8953. Contract requirement**

2 “(a) In each calendar year, the Office shall enter into
3 a contract with 1 or more carriers to make available 1
4 or more health benefits plans (subject to the provisions
5 of this chapter) to eligible individuals under this chapter.

6 “(b) In carrying out this section, the Office may re-
7 quire 1 or more carriers to enter into a contract described
8 in subsection (a), as a condition of entering into a contract
9 under section 8902.

10 **“§ 8954. Eligibility of non-Federal employees**

11 “(a) Except as provided under subsection (b), any in-
12 dividual may enroll in a health benefits plan under this
13 section.

14 “(b) An individual may not enroll in a health benefits
15 plan under this chapter, if the individual—

16 “(1) is 65 years of age or older;

17 “(2) is enrolled or eligible to enroll for coverage
18 under a public health insurance program, including
19 coverage under title XVIII of the Social Security
20 Act, coverage under a State plan under title XIX of
21 such Act, coverage under a State plan under title
22 XX of such Act, or coverage under any other pro-
23 gram determined by the Office;

24 “(3) is enrolled or eligible to enroll in a plan
25 under chapter 89; or

1 “(4) is a member of the uniformed services as
2 defined under section 101(a)(5) of title 10.

3 **“§ 8955. Alternative conditions to Federal employee**
4 **health benefits plans**

5 “(a) Rates charged and premiums paid for a health
6 benefits plan under this chapter may differ between or
7 among geographic regions.

8 “(b) No Government contribution shall be made for
9 any individual under this chapter.

10 “(c) In the administration of this chapter, the Office
11 shall ensure that individuals covered under this chapter
12 shall be in a risk pool that is separate from the risk pool
13 maintained for individuals covered under chapter 89.”.

14 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

15 (1) CONTRACT REQUIREMENT UNDER CHAPTER
16 89.—Section 8902 of title 5, United States Code, is
17 amended by adding after subsection (o) the fol-
18 lowing:

19 “(p) Each contract under this chapter may include,
20 at the discretion of the Office, a provision that the carrier
21 shall enter into a contract to provide 1 or more health
22 benefits plans as described under chapter 89A.”.

23 (2) TABLE OF CHAPTERS.—The table of chap-
24 ters for part III of title 5, United States Code, is
25 amended by inserting after the item relating to

1 chapter 89 the following:

“89A. Health Insurance for Non-Federal Employees 8951”.

2 (c) EFFECTIVE DATE.—The amendments made by
 3 this section shall take effect on the date of enactment of
 4 this Act and shall apply to contracts that take effect with
 5 respect to the calendar year following such date of enact-
 6 ment.

7 **SEC. 3. CREDIT FOR HEALTH INSURANCE COSTS OF CER-**
 8 **TAIN NON-FEDERAL EMPLOYEES.**

9 (a) IN GENERAL.—Subpart C of part IV of sub-
 10 chapter A of chapter 1 of the Internal Revenue Code of
 11 1986 (relating to refundable credits) is amended by redes-
 12 ignating section 36 as section 37 and inserting after sec-
 13 tion 35 the following new section:

14 **“SEC. 36. HEALTH INSURANCE COSTS OF CERTAIN NON-**
 15 **FEDERAL EMPLOYEES.**

16 “(a) IN GENERAL.—In the case of an individual,
 17 there shall be allowed as a credit against the tax imposed
 18 by subtitle A for the taxable year an amount equal to the
 19 applicable percentage of the amount paid during such tax-
 20 able year by the taxpayer for coverage of the taxpayer and
 21 family members under the health insurance plan estab-
 22 lished under chapter 89A of title 5, United States Code.

23 “(b) APPLICABLE PERCENTAGE.—For purposes of
 24 subsection (a)—

1 “(1) IN GENERAL.—The applicable percentage
2 shall be determined in accordance with the table
3 under paragraph (2).

4 “(2) DETERMINATION OF APPLICABLE PER-
5 CENTAGE.—

**“In the case of any taxpayer whose family income is
the applicable percentage is—
the following percentage
of the poverty line—**

Not more than 100 percent	100 percent
More than 100, but not more than 200 percent	65 percent
More than 200, but not more than 300 percent	40 percent
More than 300, but not more than 400 percent	30 percent
More than 400 percent	0 percent.

6 “(3) POVERTY LINE.—For purposes of para-
7 graph (2), the term ‘poverty line’ means the poverty
8 line as defined in section 673(2) of the Community
9 Services Block Grant Act, for a family of the size in-
10 volved.

11 “(c) SPECIAL RULES.—

12 “(1) COORDINATION WITH ADVANCE PAYMENTS
13 OF CREDIT.—With respect to any taxable year, the
14 amount which would (but for this subsection) be al-
15 lowed as a credit to the taxpayer under subsection
16 (a) shall be reduced (but not below zero) by the ag-
17 gregate amount paid on behalf of such taxpayer
18 under section 7528 for such taxable year.

19 “(2) COORDINATION WITH OTHER DEDUC-
20 TIONS.—Amounts taken into account under sub-
21 section (a) shall not be taken into account in deter-

1 mining any deduction allowed under section 162(l)
2 or 213.

3 “(3) TREATMENT OF PAYMENTS.—For pur-
4 poses of this section, payments made by the Sec-
5 retary on behalf of any individual under section
6 7528 (relating to advance payment of credit for
7 health insurance costs of eligible individuals) shall be
8 treated as having been made by the taxpayer.

9 “(4) REGULATIONS.—The Secretary may pre-
10 scribe such regulations and other guidance as may
11 be necessary or appropriate to carry out this section
12 and section 7528.”.

13 (b) ADVANCE PAYMENT OF CREDIT.—Chapter 77 of
14 the Internal Revenue Code of 1986 (relating to miscella-
15 neous provisions) is amended by adding at the end the
16 following new section:

17 **“SEC. 7528. ADVANCE PAYMENT OF CREDIT FOR HEALTH**
18 **INSURANCE COSTS OF CERTAIN NON-FED-**
19 **ERAL EMPLOYEES.**

20 “Not later than August 1, 2004, the Secretary shall
21 establish a program for making payments on behalf of in-
22 dividuals described in section 36(a) to the health insur-
23 ance plan established under chapter 89A of title 5, United
24 States Code.”.

25 (c) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period “, or from section 36 of such Code”.

(2) The table of sections for subpart C of part IV of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following new items:

“Sec. 36. Health insurance costs of certain non-Federal employees.

“Sec. 37. Overpayments of tax.”.

(3) The table of sections for chapter 77 of such Code is amended by adding at the end the following new item:

“Sec. 7528. Advance payment of credit for health insurance costs of certain non-Federal employees.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

14 SEC. 4. PLAN FOR EXTENSION OF FEDERAL EMPLOYEE
15 HEALTH BENEFITS PROGRAM.

Not later than 6 months after the date of enactment of this Act and after consultation with appropriate experts, representatives of affected individuals, and Federal officers, the Director of the Office of Personnel Management shall submit a comprehensive plan to Congress that—

1 (1) provides for the orderly implementation of
2 the amendments made by this Act; and

3 (2) includes a schedule of actions to be taken
4 to provide for that implementation.

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