

111TH CONGRESS  
1ST SESSION

# S. 93

To provide quality, affordable health insurance for small employers and individuals.

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IN THE SENATE OF THE UNITED STATES

JANUARY 6, 2009

Mr. BROWN introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To provide quality, affordable health insurance for small employers and individuals.

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 “Small Business Em-  
5 powerment Act”.

6 **SEC. 2. DEFINITIONS.**

7 (a) IN GENERAL.—In this Act, the terms “health  
8 benefits plan”, “carrier”, and “dependent” have the  
9 meanings given such terms in section 8901 of title 5,  
10 United States Code.

1 (b) OTHER TERMS.—In this Act:

2 (1) ADMINISTRATOR.—The term “Adminis-  
3 trator” means the entity that enters into the con-  
4 tract under section 3(b).

5 (2) COMMISSION.—The term “Commission”  
6 means the National Health Coverage Commission  
7 established under section 8.

8 (3) EMPLOYEE.—The term “employee” has the  
9 meaning given such term under section 3(6) of the  
10 Employee Retirement Income Security Act of 1974  
11 (29 U.S.C. 1002(6)). Such term shall not include an  
12 employee of the Federal Government.

13 (4) EMPLOYER.—The term “employer” has the  
14 meaning given such term under section 3(5) of the  
15 Employee Retirement Income Security Act of 1974  
16 (29 U.S.C. 1002(5)), except that such term shall in-  
17 clude only employers who employed an average of at  
18 least 1 but not more than 100 employees on busi-  
19 ness days during the year preceding the date of ap-  
20 plication. Such term shall not include the Federal  
21 Government.

22 (5) HEALTH INSURANCE ISSUER.—The term  
23 “health insurance issuer” has the meaning given  
24 such term in section 2791(b)(2) of the Public Health  
25 Service Act (42 U.S.C. 300gg–91(b)(2)), except that

1 such term shall include the sponsor of a group  
2 health plan.

3 (6) OFFICE.—The term “Office” means the Of-  
4 fice of Personnel Management.

5 (7) PARTICIPATING EMPLOYER.—The term  
6 “participating employer” means an employer that—

7 (A) elects to provide health insurance cov-  
8 erage under this Act to its employees;

9 (B) is not offering other comprehensive  
10 health insurance coverage to such employees;  
11 and

12 (C) agrees to provide the employer con-  
13 tribution as required under section 6(a).

14 (8) SECRETARY.—The term “Secretary” means  
15 the Secretary of Health and Human Services.

16 (c) APPLICATION OF CERTAIN RULES IN DETER-  
17 MINATION OF EMPLOYER SIZE.—For purposes of sub-  
18 section (b)(2):

19 (1) APPLICATION OF AGGREGATION RULE FOR  
20 EMPLOYERS.—All persons treated as a single em-  
21 ployer under subsection (b), (c), (m), or (o) of sec-  
22 tion 414 of the Internal Revenue Code of 1986 shall  
23 be treated as 1 employer.

24 (2) EMPLOYERS NOT IN EXISTENCE IN PRE-  
25 CEDING YEAR.—In the case of an employer which

1 was not in existence for the full year prior to the  
2 date on which the employer applies to participate,  
3 the determination of whether such employer meets  
4 the requirements of subsection (b)(2) shall be based  
5 on the average number of employees that it is rea-  
6 sonably expected such employer will employ on busi-  
7 ness days in the employer's first full year.

8 (3) PREDECESSORS.—Any reference in this  
9 subsection to an employer shall include a reference  
10 to any predecessor of such employer.

11 (d) WAIVER AND CONTINUATION OF PARTICIPA-  
12 TION.—

13 (1) WAIVER.—The Office may waive the limita-  
14 tions relating to the size of an employer which may  
15 participate in the health insurance program estab-  
16 lished under this Act on a case by case basis if the  
17 Office determines that such employer makes a com-  
18 pelling case for such a waiver. In making determina-  
19 tions under this paragraph, the Office may consider  
20 the effects of the employment of temporary and sea-  
21 sonal workers and other factors.

22 (2) CONTINUATION OF PARTICIPATION.—An  
23 employer participating in the program under this  
24 Act that experiences an increase in the number of  
25 employees so that such employer has in excess of

1 100 employees, may not be excluded from participa-  
2 tion solely as a result of such increase in employees.

3 **SEC. 3. NATIONAL SMALL EMPLOYER AND INDIVIDUALS**  
4 **RISK POOL.**

5 (a) ESTABLISHMENT.—The Secretary, in consulta-  
6 tion with the Director of the Office, shall established a  
7 national program to make quality, affordable health insur-  
8 ance available to small employers and self-employed indi-  
9 viduals in a manner that will spread risk on a national  
10 basis. The program shall be modeled on the Federal em-  
11 ployees health benefit program under chapter 89 of title  
12 5, United States Code.

13 (b) CONTRACT FOR ADMINISTRATION.—

14 (1) IN GENERAL.—The Secretary, in consulta-  
15 tion with the Director of the Office, shall enter into  
16 a contract with an eligible entity for the administra-  
17 tion of the program established under subsection (a).

18 (2) ELIGIBLE ENTITY.—The program under  
19 subsection (a) shall be administered by a private en-  
20 tity under a contract entered into with the Depart-  
21 ment of Health and Human Services. An entity shall  
22 be eligible to enter into such contract if such enti-  
23 ty—

24 (A) is a medicare fiscal intermediary, a  
25 health insurance issuer, a health care provider

1 organization, a third party administrator, or  
2 any other entity determined appropriate by the  
3 Secretary; and

4 (B) can demonstrate the ability to admin-  
5 ister the insurance program under this Act, for  
6 a population significantly larger than that pop-  
7 ulations served under the Federal Employees  
8 Health Benefits Program under chapter 89 of  
9 title 5, United States Code.

10 (c) LIMITATIONS.—In no event shall the enactment  
11 of this Act result in—

12 (1) any increase in the level of individual or  
13 Federal Government contributions required under  
14 chapter 89 of title 5, United States Code, including  
15 copayments or deductibles;

16 (2) any decrease in the types of benefits offered  
17 under such chapter 89; or

18 (3) any other change that would adversely af-  
19 fect the coverage afforded under such chapter 89 to  
20 employees and annuitants and members of family  
21 under that chapter.

22 **SEC. 4. CONTRACT REQUIREMENT.**

23 (a) IN GENERAL.—The Administrator may enter into  
24 contracts with qualified carriers offering health benefits  
25 plans of the type described in section 8903 or 8903a of

1 title 5, United States Code, without regard to section 5  
2 of title 41, United States Code, or other statutes requiring  
3 competitive bidding, to provide health insurance coverage  
4 to employees of participating employers and individuals  
5 under this Act. Each contract shall be for a uniform term  
6 of at least 1 year, but may be made automatically renew-  
7 able from term to term in the absence of notice of termi-  
8 nation by either party. In entering into such contracts,  
9 the Administrator shall ensure that health benefits cov-  
10 erage is provided for individuals only, individuals with one  
11 or more children, married individuals without children,  
12 and married individuals with one or more children. As a  
13 condition of entering into such a contract, a qualified car-  
14 rier shall agree to pay the monthly assessment required  
15 under section 11(e).

16 (b) ELIGIBILITY.—A carrier shall be eligible to enter  
17 into a contract under subsection (a) if such carrier—

18 (1) is licensed to offer health benefits plan cov-  
19 erage in each State in which the plan is offered; and

20 (2) meets such other requirements as deter-  
21 mined appropriate by the Secretary.

22 (c) BENEFITS.—

23 (1) PILOT PROGRAM.—

24 (A) IN GENERAL.—The Administrator  
25 shall establish a pilot program to provide for

1 the offering, by carriers, of a model health ben-  
2 efits plan that is developed using the model pro-  
3 vided for under section 8(c)(1).

4 (B) ASSESSMENT.—Not later than 5 years  
5 after the date on which the pilot program is es-  
6 tablished under subparagraph (A), the Adminis-  
7 trator shall contract with the Institute of Medi-  
8 cine for the conduct of an assessment on the  
9 impact of the pilot program on health care cov-  
10 erage costs and access.

11 (2) STATEMENT OF BENEFITS.—Each contract  
12 under this Act shall contain a detailed statement of  
13 benefits offered and shall include information con-  
14 cerning such maximums, limitations, exclusions, and  
15 other definitions of benefits as the Administrator  
16 considers necessary or desirable.

17 (3) ENSURING A RANGE OF PLANS.—The Ad-  
18 ministrator shall ensure that a range of health bene-  
19 fits plans are available to participating employers  
20 under this Act.

21 (d) STANDARDS.—The minimum standards pre-  
22 scribed for health benefits plans under section 8902(e) of  
23 title 5, United States Code, and for carriers offering plans,  
24 shall apply to plans and carriers under this Act. Approval  
25 of a plan may be withdrawn by the Administrator only

1 after notice and opportunity for hearing to the carrier con-  
2 cerned without regard to subchapter II of chapter 5 and  
3 chapter 7 of title 5, United States Code.

4 (e) CONVERSION.—

5 (1) IN GENERAL.—A contract may not be made  
6 or a plan approved under this section if the carrier  
7 under such contract or plan does not offer to each  
8 enrollee whose enrollment in the plan is ended, ex-  
9 cept by a cancellation of enrollment, a temporary ex-  
10 tension of coverage during which the individual may  
11 exercise the option to convert, without evidence of  
12 good health, to a nongroup contract providing health  
13 benefits. An enrollee who exercises this option shall  
14 pay the full periodic charges of the nongroup con-  
15 tract.

16 (2) NONCANCELLABLE.—The benefits and cov-  
17 erage made available under paragraph (1) may not  
18 be canceled by the carrier except for fraud, over-in-  
19 surance, or nonpayment of periodic charges.

20 (f) REQUIREMENT OF PAYMENT FOR OR PROVISION  
21 OF HEALTH SERVICE.—Each contract entered into under  
22 this Act shall require the carrier to agree to pay for or  
23 provide a health service or supply in an individual case  
24 if the Administrator finds that the employee, annuitant,  
25 family member, former spouse, or person having continued

1 coverage under section 8905a of title 5, United States  
2 Code, is entitled thereto under the terms of the contract.

3 **SEC. 5. ELIGIBILITY.**

4 An individual shall be eligible to enroll in a plan  
5 under this Act if such individual—

6 (1) is an employee of a small employer de-  
7 scribed in section 2(b)(2), or is a self employed indi-  
8 vidual as defined in section 401(c)(1)(B) of the In-  
9 ternal Revenue Code of 1986, that elects to provide  
10 coverage for its employees under this Act; or

11 (2) is not otherwise enrolled or eligible for en-  
12 rollment or coverage of the type described in section  
13 2701(e)(1) of the Public Health Service Act.

14 **SEC. 6. APPLICATION OF PROVISIONS.**

15 (a) FEHBP.—Except as provided in this section, the  
16 provisions of chapter 89 of title 5, United States Code,  
17 relating to employer contributions for coverage, require-  
18 ments for rating, guaranteed issue and renewability, and  
19 other provisions determined appropriate by the Secretary  
20 (in consultation with the Director of the Office) shall  
21 apply with respect to health coverage provided under this  
22 Act.

23 (b) RATING AND LOSS-RATIO.—

24 (1) RATING.—With respect to the determina-  
25 tion of premium amounts for health benefits plans

1 under this Act, the only rating factor permitted shall  
2 be an age-related factor.

3 (2) LOSS-RATIO.—A qualified carrier shall en-  
4 sure that the loss-ratio of any health benefits plan  
5 offered by such carrier under this Act not be less  
6 than 85 percent with respect to the amount of pre-  
7 miums expended for patient care.

8 (c) CONTINUED APPLICABILITY OF STATE LAW.—

9 (1) HEALTH INSURANCE OR PLANS.—

10 (A) PLANS.—With respect to a contract  
11 entered into under this Act under which a car-  
12 rier will offer health benefits plan coverage,  
13 State mandated benefit laws in effect in the  
14 State in which the plan is offered shall continue  
15 to apply.

16 (B) RATING RULES.—The rating and other  
17 requirements described in subsections (a) and  
18 (b) shall supercede State rating rules for quali-  
19 fied plans under this Act.

20 (2) LIMITATION.—Nothing in this subsection  
21 shall be construed to preempt—

22 (A) any State or local law or regulation ex-  
23 cept those laws and regulations described in  
24 subparagraph (B) of paragraph (1);

1 (B) any State grievance, claims, and ap-  
 2 peals procedure law, except to the extent that  
 3 such law is preempted under section 514 of the  
 4 Employee Retirement Income Security Act of  
 5 1974; and

6 (C) State network adequacy laws.

7 **SEC. 7. EMPLOYER PARTICIPATION.**

8 (a) REGULATIONS.—The Secretary, in consultation  
 9 with the Director of the Office, shall prescribe regulations  
 10 providing for employer participation under this Act, in-  
 11 cluding the offering of health benefits plans under this Act  
 12 to employees.

13 (b) ENROLLMENT AND OFFERING OF OTHER COV-  
 14 ERAGE.—

15 (1) ENROLLMENT.—A participating employer  
 16 shall ensure that each eligible employee has an op-  
 17 portunity to enroll in a plan under this Act.

18 (2) PROHIBITION ON OFFERING OTHER COM-  
 19 PREHENSIVE HEALTH BENEFIT COVERAGE.—A par-  
 20 ticipating employer may not offer a health insurance  
 21 plan providing comprehensive health benefits cov-  
 22 erage to employees participating in the program  
 23 under this Act other than a health benefits plan  
 24 that—

1 (A) meets the requirements described in  
2 section 4(a); and

3 (B) is offered only through the enrollment  
4 process established by the Administrator under  
5 section 3.

6 (3) OFFER OF SUPPLEMENTAL COVERAGE OP-  
7 TIONS.—

8 (A) IN GENERAL.—A participating em-  
9 ployer may offer supplementary coverage op-  
10 tions to employees.

11 (B) DEFINITION.—In subparagraph (A),  
12 the term “supplementary coverage” means ben-  
13 efits described as “excepted benefits” under  
14 section 2791(c) of the Public Health Service  
15 Act (42 U.S.C. 300gg–91(c)).

16 **SEC. 8. NATIONAL HEALTH COVERAGE COMMISSION.**

17 (a) ESTABLISHMENT.—There is established a com-  
18 mission to be known as the “National Health Coverage  
19 Commission” to carry out the duties activities described  
20 in subsection (c).

21 (b) COMPOSITION.—

22 (1) APPOINTMENT.—The Commission shall be  
23 composed of 15 members to be appointed by the  
24 President, after consultation with and recommenda-  
25 tions from the Institute of Medicine of the National

1 Academy of Sciences, from among representatives of  
2 employers, employees, health care providers, health  
3 services researchers, economists, and other health  
4 care stakeholders and experts determined appro-  
5 priate by the Institute of Medicine.

6 (2) CHAIRPERSON, VICE-CHAIRPERSON, AND  
7 MEETINGS.—Not later than 30 days after the date  
8 on which all members of the Commission are ap-  
9 pointed under paragraph (1), such members shall  
10 meet to elect a Chairperson and Vice Chairperson  
11 from among such members and shall determine a  
12 schedule of Commission meetings.

13 (3) TERMS, VACANCIES, AND QUORUM.—

14 (A) TERMS.—An individual appointed  
15 under paragraph (1) shall serve a term of 3  
16 years.

17 (B) VACANCY.—Any vacancy in the Com-  
18 mission shall not affect its powers and shall be  
19 filled in the same manner in which the original  
20 appointment was made.

21 (C) QUORUM.—A majority of the members  
22 of the Commission shall constitute a quorum,  
23 but a lesser number of members may hold hear-  
24 ings.

1 (c) DUTIES AND ACTIVITIES.—The Commission  
2 shall—

3 (1) develop a model that ensures adequate cov-  
4 erage for medically necessary services, promotes dis-  
5 ease and chronic disease management, provides in-  
6 centives for health provider compliance with best  
7 practices protocols, and that does not discriminate  
8 against individuals based on the nature of their  
9 medically necessary condition, but provides appro-  
10 priate coverage limits based on scientifically-deter-  
11 mined models of care;

12 (2) as part of the model under paragraph (1),  
13 establish a standardized benefit package for health  
14 benefit plans provided under contracts entered into  
15 under this Act;

16 (3) develop model cost sharing mechanisms that  
17 do not discriminate and that accommodate lower in-  
18 come individuals;

19 (4) establish a systematic means of ensuring  
20 that the health care system adopts best practices;

21 (5) provide for the establishment of a partner-  
22 ship between health care providers, manufacturers of  
23 health products, health care economists, and policy  
24 experts in the areas of health financing and delivery,  
25 to—

1 (A) develop a systematic means of ensur-  
2 ing that the health care system adopts best  
3 practices;

4 (B) develop procedures to combat price  
5 gouging by the manufacturers of new health  
6 products; and

7 (C) determine cost sharing mechanisms  
8 that do not discriminate and that accommodate  
9 low income individuals; and

10 (6) carry out any other activities determined  
11 appropriate by the Secretary to assist in carrying  
12 out this Act.

13 (d) POWERS OF COMMISSION.—

14 (1) HEARINGS.—The Commission may hold  
15 such hearings, meet and act at such times and  
16 places, and receive such evidence as may be nec-  
17 essary to carry out the functions of the Commission.

18 (2) INFORMATION FROM FEDERAL AGENCIES.—

19 (A) IN GENERAL.—The Commission may  
20 access, to the extent authorized by law, from  
21 any executive department, bureau, agency,  
22 board, commission, office, independent estab-  
23 lishment, or instrumentality of the Federal Gov-  
24 ernment such information, suggestions, esti-

1           mates, and statistics as the Commission con-  
2           siders necessary to carry out this Act.

3           (B) PROVISION OF INFORMATION.—On  
4           written request of the Chairperson of the Com-  
5           mission, each department, bureau, agency,  
6           board, commission, office, independent estab-  
7           lishment, or instrumentality shall, to the extent  
8           authorized by law, provide the requested infor-  
9           mation to the Commission.

10          (C) RECEIPT, HANDLING, STORAGE, AND  
11          DISSEMINATION.—Information shall only be re-  
12          ceived, handled, stored, and disseminated by  
13          members of the Commission and its staff con-  
14          sistent with all applicable statutes, regulations,  
15          and Executive orders.

16          (3) ASSISTANCE FROM FEDERAL AGENCIES.—

17           (A) GENERAL SERVICES ADMINISTRA-  
18           TION.—On request of the Chairperson of the  
19           Commission, the Administrator of General  
20           Services shall provide to the Commission, on a  
21           reimbursable basis, administrative support and  
22           other assistance necessary for the Commission  
23           to carry out its duties.

24           (B) OTHER DEPARTMENTS AND AGEN-  
25           CIES.—In addition to the assistance provided

1           for under subparagraph (A), departments and  
2           agencies of the United States may provide to  
3           the Commission such assistance as they may  
4           determine advisable and as authorized by law.

5           (4) CONTRACTING.—The Commission may  
6           enter into contracts to enable the Commission to dis-  
7           charge its duties under this Act.

8           (5) DONATIONS.—The Commission may accept,  
9           use, and dispose of donations of services or property.

10          (6) POSTAL SERVICES.—The Commission may  
11          use the United States mails in the same manner and  
12          under the same conditions as a department or agen-  
13          cy of the United States.

14          (e) STAFF OF COMMISSION.—

15          (1) IN GENERAL.—The Chairperson of the  
16          Commission, in consultation with the Vice Chair-  
17          person, in accordance with rules agreed upon by the  
18          Commission, may appoint and fix the compensation  
19          of a staff director and such other personnel as may  
20          be necessary to enable the Commission to carry out  
21          its functions, in accordance with the provisions of  
22          title 5, United States Code, except that no rate of  
23          pay fixed under this subsection may exceed the  
24          equivalent of that payable for a position at level V

1 of the Executive Schedule under section 5316 of title  
2 5, United States Code.

3 (2) STAFF OF FEDERAL AGENCIES.—Upon re-  
4 quest of the Chairperson of the Commission, the  
5 head of any executive department, bureau, agency,  
6 board, commission, office, independent establish-  
7 ment, or instrumentality of the Federal Government  
8 may detail, without reimbursement, any of its per-  
9 sonnel to the Commission to assist it in carrying out  
10 its duties under this Act. Any detail of an employee  
11 shall be without interruption or loss of civil service  
12 status or privilege.

13 (3) CONSULTANT SERVICES.—The Commission  
14 is authorized to procure the services of experts and  
15 consultants in accordance with section 3109 of title  
16 5, United States Code, but at rates not to exceed the  
17 daily rate paid a person occupying a position at level  
18 IV of the Executive Schedule under section 5315 of  
19 title 5, United States Code.

20 (f) REPORT AND TERMINATION.—

21 (1) REPORT.—Not later than 3 years after the  
22 date on which all of the members of the Commission  
23 are appointed under subsection (b), the Commission  
24 shall submit to the appropriate committees of Con-  
25 gress a report concerning the activities of the Com-

1 mission which shall include recommendations for  
2 coverage and benefits under the program under this  
3 Act.

4 (2) TERMINATION.—The Commission shall ter-  
5minate on the date on which the report is submitted  
6 under paragraph (1).

7 **SEC. 9. PUBLIC EDUCATION CAMPAIGN.**

8 (a) IN GENERAL.—In carrying out this Act, the Sec-  
9retary, in consultation with the Director of the Office,  
10 shall develop, and the Administrator shall implement, an  
11 educational campaign to provide information to employers  
12 and the general public concerning the health insurance  
13 program developed under this Act.

14 (b) ANNUAL PROGRESS REPORTS.—Not later than 1  
15 year and 2 years after the implementation of the campaign  
16 under subsection (a), the Administrator shall submit to  
17 the appropriate committees of Congress a report that de-  
18scribes the activities of the Administrator under sub-  
19section (a), including a determination by the Adminis-  
20trator of the percentage of employers with knowledge of  
21 the health benefits programs provided for under this Act.

22 (c) PUBLIC EDUCATION CAMPAIGN.—There is au-  
23thorized to be appropriated to carry out this section, such  
24 sums as may be necessary for each of fiscal years 2009  
25 and 2010.

1 **SEC. 10. TRANSITION PERIOD.**

2       During the period prior to the date on which assess-  
3 ments begin under section 11(c), the Administrator shall  
4 adjust the annual premium amount assessed for coverage  
5 under a health benefits plan to reflect the median pre-  
6 mium amount that is assessed for coverage under the Blue  
7 Cross/Blue Shield Standard Plan provided under the Fed-  
8 eral Employees Health Benefit Program under chapter 89  
9 of title 5, United States Code for the year involved.

10 **SEC. 11. REINSURANCE PROGRAM.**

11       (a) ESTABLISHMENT OF PROGRAM.—Not later than  
12 1 year after the date of enactment of this Act, the Sec-  
13 retary shall establish a program to provide reinsurance to  
14 qualified carriers offering health benefit plans under this  
15 Act.

16       (b) AMOUNT OF REINSURANCE PAYMENTS.—

17           (1) IN GENERAL.—Under the program estab-  
18 lished under subsection (a), the Secretary shall,  
19 using amounts in the trust fund established under  
20 subsection (d), pay to a qualified carrier an amount  
21 determined under paragraph (2) for each large claim  
22 paid by such carrier under a health benefits plan  
23 under this Act.

24           (2) PAYMENT.—The amount of a payment  
25 under paragraph (1) shall be equal to 90 percent of

1 the amount of the large claim paid by the carrier  
2 under this Act.

3 (3) LARGE CLAIM.—In this subsection, the term  
4 “large claim” means a claim paid by a qualified car-  
5 rier on behalf of a enrollee under a health benefits  
6 plan under this Act that is excess of \$5,000, but less  
7 than \$75,000.

8 (4) ANNUAL PAYMENT.—The Secretary shall  
9 develop procedures to provide for the annual pay-  
10 ment of amounts to qualified carriers under the pro-  
11 gram under this section.

12 (c) ASSESSMENTS.—

13 (1) IN GENERAL.—The Secretary shall require  
14 the payment of monthly assessments by each health  
15 insurance issuer offering health insurance coverage.

16 (2) AMOUNT OF ASSESSMENT.—

17 (A) ESTABLISHMENT OF BASE AMOUNT BY  
18 SECRETARY.—Not later than 1 year after the  
19 date of enactment of this Act, the Secretary  
20 shall determine the base amount of the assess-  
21 ment under paragraph (1).

22 (B) AMOUNT PER CARRIER.—With respect  
23 to a health insurance issuer, the amount of the  
24 monthly assessment under this subsection shall  
25 be the product of the base amount under sub-

1 paragraph (A) and the number of lives covered  
2 under the health benefits plans offered by the  
3 issuer during the month involved.

4 (d) TRUST FUND.—

5 (1) ESTABLISHMENT.—There is established in  
6 the Treasury of the United States a trust fund to  
7 be known as the “Small Business Health Coverage  
8 Trust Fund”, consisting of such amounts as may be  
9 appropriated or credited to such Trust Fund as pro-  
10 vided in this subsection.

11 (2) TRANSFERS TO TRUST FUND.—There are  
12 hereby appropriated to the Small Business Health  
13 Coverage Trust Fund amounts equivalent to the net  
14 revenues received in the Treasury from the assess-  
15 ments paid under subsection (c).

16 **SEC. 12. APPROPRIATIONS.**

17 There are authorized to be appropriated, such sums  
18 as may be necessary in each fiscal year for the develop-  
19 ment and administration of the program under this Act.

○