

106TH CONGRESS
1ST SESSION

H. R. 602

To amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance may be obtained by Federal employees and annuitants.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 1999

Mr. SCARBOROUGH (for himself and Mr. MICA) introduced the following bill;
which was referred to the Committee on Government Reform

A BILL

To amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance may be obtained by Federal employees and annuitants.

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 “Civil Service Long-
5 Term Care Insurance Benefit Act”.

1 **SEC. 2. LONG-TERM CARE INSURANCE.**

2 (a) IN GENERAL.—Subpart G of part III of title 5,
3 United States Code, is amended by adding at the end the
4 following:

5 **“CHAPTER 90—LONG-TERM CARE INSURANCE**

“Sec.

“9001. Definitions.

“9002. Availability of insurance.

“9003. Participating carriers.

“9004. Administrative functions.

“9005. Coordination with State laws.

“9006. Commercial items.

6 **“§ 9001. Definitions**

7 “For purposes of this chapter:

8 “(1) EMPLOYEE.—The term ‘employee’ has the
9 meaning given such term by section 8901, but does
10 not include an individual employed by the govern-
11 ment of the District of Columbia.

12 “(2) ANNUITANT.—The term ‘annuitant’
13 means—

14 “(A) a former employee who, based on the
15 service of that individual, receives an annuity
16 under subchapter III of chapter 83, chapter 84,
17 or another retirement system for employees of
18 the Government (disregarding title XVIII of the
19 Social Security Act and any retirement system
20 established for employees described in section
21 2105(c)); and

1 “(B) any individual who receives an annu-
2 ity under any retirement system referred to in
3 subparagraph (A) (disregarding those described
4 parenthetically) as the surviving spouse of an
5 employee (including an amount under section
6 8442(b)(1)(A), whether or not an annuity
7 under section 8442(b)(1)(B) is also payable) or
8 of a former employee under subparagraph (A);
9 but does not include a former employee of a Govern-
10 ment corporation excluded by regulation of the Of-
11 fice of Personnel Management or the spouse of such
12 a former employee.

13 “(3) ELIGIBLE RELATIVE.—The term ‘eligible
14 relative’, as used with respect to an employee or an-
15 nuitant, means each of the following:

16 “(A) The spouse of the employee or annu-
17 itant.

18 “(B) The father or mother of the employee
19 or annuitant, or an ancestor of either.

20 “(C) A stepfather or stepmother of the em-
21 ployee or annuitant.

22 “(D) The father-in-law or mother-in-law of
23 the employee or annuitant.

24 “(E) A son or daughter of the employee or
25 annuitant who is at least 18 years of age.

1 “(F) A stepson or stepdaughter of the em-
2 ployee or annuitant who is at least 18 years of
3 age.

4 “(4) GOVERNMENT.—The term ‘Government’
5 means the Government of the United States, includ-
6 ing an agency or instrumentality thereof.

7 “(5) QUALIFIED CARRIER.—A carrier shall be
8 considered to be a ‘qualified carrier’, with respect to
9 a State, if it is licensed to issue group long-term
10 care insurance under the laws of such State.

11 “(6) QUALIFIED LONG-TERM CARE INSURANCE
12 CONTRACT.—The term ‘qualified long-term care in-
13 surance contract’ has the meaning given such term
14 by section 7702B of the Internal Revenue Code of
15 1986.

16 “(7) STATE.—The term ‘State’ means a State,
17 the District of Columbia, the Commonwealth of
18 Puerto Rico, the Commonwealth of the Northern
19 Mariana Islands, the Trust Territory of the Pacific
20 Islands, the Virgin Islands, Guam, American Samoa,
21 and any other territory or possession of the United
22 States.

23 **“§ 9002. Availability of insurance**

24 “(a) IN GENERAL.—The Office of Personnel Manage-
25 ment shall establish and administer a program through

1 which employees and annuitants may obtain group long-
2 term care insurance for themselves, a spouse, or, to the
3 extent permitted under the terms of the contract of insur-
4 ance involved, any other eligible relative.

5 “(b) GENERAL REQUIREMENTS.—Long-term care in-
6 surance may not be offered under this chapter unless—

7 “(1) the only insurance protection provided is
8 coverage under qualified long-term care insurance
9 contracts; and

10 “(2) the insurance contract under which such
11 coverage is provided is issued by a qualified carrier.

12 “(c) REQUIREMENT THAT CONTRACT BE FULLY IN-
13 SURED.—In addition to the requirements otherwise appli-
14 cable under section 9001(8), in order to be considered a
15 qualified long-term care insurance contract for purposes
16 of this chapter, a contract must be fully insured, whether
17 through reinsurance with other companies or otherwise.

18 “(d) COVERAGE NOT REQUIRED FOR INDIVIDUALS
19 WHO WOULD BE IMMEDIATELY BENEFIT ELIGIBLE.—
20 Nothing in this chapter shall be considered to require that
21 long-term care insurance coverage be made available in the
22 case of any individual who would be immediately benefit
23 eligible.

1 **“§ 9003. Participating carriers**

2 “(a) IDENTIFICATION OF PARTICIPATING CAR-
3 RIERS.—The Office of Personnel Management shall, be-
4 fore the start of each year—

5 “(1) identify each carrier through whom any
6 long-term care insurance may be obtained under this
7 chapter during such year; and

8 “(2) prepare a list of the carriers identified
9 under paragraph (1), and a summary description of
10 the insurance obtainable under this chapter from
11 each.

12 “(b) APPLICATION REQUIREMENTS, ETC.—In order
13 to carry out its responsibilities under subsection (a), the
14 Office shall annually specify the timetable (including any
15 application deadlines) and other procedures that must be
16 followed by carriers seeking to be allowed to offer long-
17 term care insurance under this chapter during the follow-
18 ing year.

19 “(c) INFORMATION TO PERMIT INFORMED DECI-
20 SIONMAKING.—The Office shall in a timely manner before
21 the start of each year—

22 “(1) publish in the Federal Register the list
23 (and summary description) prepared under sub-
24 section (a) for such year; and

25 “(2) make available to each individual eligible
26 to obtain long-term care insurance under this chap-

1 ter such information, in a form acceptable to the Of-
2 fice after consultation with the carrier, as may be
3 necessary to enable the individual to exercise an in-
4 formed choice among the various options available
5 under this chapter.

6 “(d) BENEFIT CERTIFICATE.—The Office shall ar-
7 range to have the appropriate individual or individuals re-
8 ceive a certificate setting forth the benefits to which an
9 individual is entitled under this chapter, to whom the ben-
10 efits are payable, and the procedures for obtaining bene-
11 fits, and summarizing the provisions of the policy prin-
12 cipally affecting the individual or individuals involved. Any
13 such certificate shall be issued instead of the certificate
14 which the insurance company would otherwise be required
15 to issue.

16 **“§ 9004. Administrative functions**

17 “(a) IN GENERAL.—Except as provided in section
18 9003, the sole functions of the Office of Personnel Man-
19 agement under this chapter shall be as follows:

20 “(1) ENROLLMENT PERIODS.—To provide rea-
21 sonable opportunity (consisting of not less than one
22 continuous 30-day period each year) for eligible em-
23 ployees and annuitants to obtain long-term care in-
24 surance coverage under this chapter.

1 “(2) WITHHOLDINGS.—To provide for a means
2 by which the cost of any long-term care insurance
3 coverage obtained under this chapter may be paid
4 for through withholdings from the pay or annuity of
5 the employee or annuitant involved.

6 “(3) CONTRACT AUTHORITY RELATING TO
7 GROUP LONG-TERM CARE INSURANCE.—To contract
8 for a qualified long-term care insurance contract
9 with each qualified carrier that offers such insur-
10 ance, so long as such carrier submits a timely appli-
11 cation under section 9003(b) and complies with such
12 other procedural rules as the Office may prescribe.

13 “(b) LIMITATIONS ON AUTHORITY.—Nothing in this
14 chapter shall be considered to permit or require the Office
15 to prescribe or negotiate over the benefits to be offered,
16 or any of the terms or conditions under which any such
17 benefits shall be offered, under this chapter.

18 **“§ 9005. Coordination with State laws**

19 “(a) IN GENERAL.—The provisions of any contract
20 under this chapter for group long-term care insurance may
21 include provisions to supersede and preempt any provi-
22 sions of State or local law described in subsection (b), or
23 any regulation issued thereunder.

24 “(b) DESCRIPTION.—This subsection applies with re-
25 spect to any provision of law which in effect carries out

1 the same policy as section 5 of the long-term care insur-
2 ance model Act, promulgated by the National Association
3 of Insurance Commissioners (as adopted as of September
4 1997).

5 **“§ 9006. Commercial items**

6 “For purposes of the Office of Federal Procurement
7 Policy Act, a long-term care insurance contract under this
8 chapter shall be considered a commercial item, as defined
9 by section 4(12) of such Act.”.

10 (b) CONFORMING AMENDMENT.—The analysis for
11 part III of title 5, United States Code, is amended by add-
12 ing at the end of subpart G the following:

“90. Long-Term Care Insurance 9001”.

13 **SEC. 3. EFFECTIVE DATE.**

14 The Office of Personnel Management shall take such
15 measures as may be necessary to ensure that long-term
16 care insurance coverage under title 5, United States Code,
17 as amended by this Act, may be obtained in time to take
18 effect beginning on the first day of the first applicable pay
19 period beginning on or after January 1, 2000.

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