

109TH CONGRESS
2^D SESSION

S. 2588

To provide for the certification of programs to provide uninsured employees of small businesses access to health coverage, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 6, 2006

Ms. STABENOW (for herself, Mrs. LINCOLN, and Mr. LEVIN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide for the certification of programs to provide uninsured employees of small businesses access to health coverage, 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 “Health Care Access
5 for Small Businesses Act of 2006”.

6 **SEC. 2. THREE-SHARE PROGRAMS.**

7 The Social Security Act (42 U.S.C. 301 et seq.) is
8 amended by adding at the end the following:

1 **“TITLE XXII—PROVIDING FOR**
2 **THE UNINSURED**

3 **“SEC. 2201. THREE-SHARE PROGRAMS.**

4 “(a) PILOT PROGRAMS.—The Secretary, acting
5 through the Administrator, shall award grants under this
6 section for the startup and operation of 50 eligible three-
7 share pilot programs for a 5-year period.

8 “(b) GRANTS FOR THREE-SHARE PROGRAMS.—

9 “(1) ESTABLISHMENT.—The Administrator
10 may award grants to eligible entities—

11 “(A) to establish three-share programs;

12 “(B) to provide for contributions to the
13 premiums assessed for coverage under a three-
14 share program as provided for in subsection
15 (c)(2)(B)(iii); and

16 “(C) to establish risk pools.

17 “(2) THREE-SHARE PROGRAM PLAN.—Each en-
18 tity desiring a grant under this subsection shall de-
19 velop a plan for the establishment and operation of
20 a three-share program that meets the requirements
21 of paragraphs (2) and (3) of subsection (c).

22 “(3) APPLICATION.—Each entity desiring a
23 grant under this subsection shall submit an applica-
24 tion to the Administrator at such time, in such man-

1 ner and containing such information as the Adminis-
2 trator may require, including—

3 “(A) the three-share program plan de-
4 scribed in paragraph (2); and

5 “(B) an assurance that the eligible entity
6 will—

7 “(i) determine a benefit package;

8 “(ii) recruit businesses and employees
9 for the three-share program;

10 “(iii) build and manage a network of
11 health providers or contract with an exist-
12 ing network or licensed insurance provider;

13 “(iv) manage all administrative needs;
14 and

15 “(v) establish relationships among
16 community, business, and provider inter-
17 ests.

18 “(4) PRIORITY.—In awarding grants under this
19 section the Secretary shall give priority to an appli-
20 cant—

21 “(A) that is an existing three-share pro-
22 gram;

23 “(B) that is an eligible three-share pro-
24 gram that has demonstrated community sup-
25 port; or

1 “(C) that is located in a State with insur-
 2 ance laws and regulations that permit three-
 3 share program expansion.

4 “(c) GRANT ELIGIBILITY.—

5 “(1) IN GENERAL.—The Secretary, acting
 6 through the Administrator, shall promulgate regula-
 7 tions providing for the eligibility of three-share pro-
 8 grams for participation in the pilot program under
 9 this section.

10 “(2) THREE-SHARE PROGRAM REQUIRE-
 11 MENTS.—

12 “(A) IN GENERAL.—To be determined to
 13 be an eligible three-share program for purposes
 14 of participation in the pilot program under this
 15 section a three-share program shall—

16 “(i) be either a non-profit or local
 17 governmental entity;

18 “(ii) define the region in which such
 19 program will provide services;

20 “(iii) have the capacity to carry out
 21 administrative functions of managing
 22 health plans, including monthly billings,
 23 verification/enrollment of eligible employers
 24 and employees, maintenance of member-
 25 ship rosters, development of member mate-

1 rials (such as handbooks and identification
2 cards), customer service, and claims proc-
3 essing; and

4 “(iv) have demonstrated community
5 involvement.

6 “(B) PAYMENT.—To be eligible under
7 paragraph (1), a three-share program shall pay
8 the costs of services provided under subpara-
9 graph (A)(ii) by charging a monthly premium
10 for each covered individual to be divided as fol-
11 lows:

12 “(i) Not more than 30 percent of such
13 premium shall be paid by a qualified em-
14 ployee desiring coverage under the three-
15 share program.

16 “(ii) Not more than 30 percent of
17 such premium shall be paid by the quali-
18 fied employer of such a qualified employee.

19 “(iii) At least 40 percent of such pre-
20 mium shall be paid from amounts provided
21 under a grant under this section.

22 “(iv) Any remaining amount shall be
23 paid by the three-share program from
24 other public, private, or charitable sources.

1 “(C) PROGRAM FLEXIBILITY.—To provide
2 program design flexibility to accommodate the
3 needs of different States, regions, and commu-
4 nities, both urban and rural, a three-share pro-
5 gram may include the following:

6 “(i) Income eligibility guidelines for
7 enrollment purposes.

8 “(ii) Procedures to permit the enroll-
9 ment of individuals, as well as small busi-
10 nesses, in which case the enrollee would be
11 responsible for payment of the employer’s
12 share of the premium.

13 “(iii) For individual enrollees, and
14 employer groups of less than 4 individuals,
15 the program may impose limitations on the
16 payment of services for pre-existing health
17 conditions during the first year of enroll-
18 ment.

19 “(3) COVERAGE.—

20 “(A) IN GENERAL.—To be an eligible
21 three-share program under this section, the
22 three-share program shall provide at least the
23 following benefits:

24 “(i) Physicians services.

25 “(ii) In-patient hospital services.

1 “(iii) Out-patient services.

2 “(iv) Emergency room visits.

3 “(v) Emergency ambulance services.

4 “(vi) Diagnostic lab fees and x-rays.

5 “(vii) Prescription drug benefits.

6 “(B) LIMITATION.—Nothing in subpara-
7 graph (A) shall be construed to require that a
8 three-share program provide coverage for serv-
9 ices performed outside the region described in
10 paragraph (2)(A)(i).

11 “(C) PREEXISTING CONDITIONS.—A pro-
12 gram described in subparagraph (A) shall not
13 be an eligible three-share program under para-
14 graph (1) if any individual can be excluded
15 from coverage under such program because of
16 a preexisting health condition.

17 “(d) GRANTS FOR EXISTING THREE-SHARE PRO-
18 GRAMS TO MEET CERTIFICATION REQUIREMENTS.—

19 “(1) IN GENERAL.—The Administrator may
20 award grants to three-share programs that are oper-
21 ating on the date of enactment of this section.

22 “(2) APPLICATION.—Each eligible entity desir-
23 ing a grant under this subsection shall submit an
24 application to the Administrator at such time, in

1 such manner, and containing such information as
2 the Administrator may require.

3 “(e) APPLICATION OF STATE LAWS.—Nothing in this
4 section shall be construed to preempt State law.

5 “(f) DISTRESSED BUSINESS FORMULA.—

6 “(1) IN GENERAL.—Not later than 60 days
7 after the date of enactment of this section, the Ad-
8 ministrator of the Health Resources and Services
9 Administration shall develop a formula to determine
10 which businesses qualify as distressed businesses for
11 purposes of this section.

12 “(2) EFFECT ON INSURANCE MARKET.—Grant-
13 ing eligibility to a distressed business using the for-
14 mula under paragraph (1) shall not interfere with
15 the insurance market. Any business found to have
16 reduced benefits to qualify as a distressed business
17 under the formula under paragraph (1) shall not be
18 eligible to be a three-share program for purposes of
19 this section.

20 “(g) DEFINITIONS.—In this section:

21 “(1) ADMINISTRATOR.—The term ‘Adminis-
22 trator’ means the Administrator of the Health Re-
23 sources and Services Administration.

24 “(2) COVERED INDIVIDUAL.—The term ‘cov-
25 ered individual’ means—

1 “(A) a qualified employee; or

2 “(B) a child under the age of 23 or a
3 spouse of such qualified employee who—

4 “(i) lacks access to health care cov-
5 erage through their employment or em-
6 ployer;

7 “(ii) lacks access to health coverage
8 through a family member;

9 “(iii) is not eligible for coverage under
10 the medicare program under title XVIII or
11 the medicaid program under title XIX; and

12 “(iv) does not qualify for benefits
13 under the State Children’s Health Insur-
14 ance Program under title XXI.

15 “(3) DISTRESSED BUSINESS.—The term ‘dis-
16 tressed business’ means a business that—

17 “(A) in light of economic hardship and ris-
18 ing health care premiums may be forced to dis-
19 continue or scale back its health care coverage;
20 and

21 “(B) qualifies as a distressed business ac-
22 cording to the formula under subsection (g).

23 “(4) ELIGIBLE ENTITY.—The term ‘eligible en-
24 tity’ means an entity that meets the requirements of
25 subsection (a)(2)(A).

1 “(5) QUALIFIED EMPLOYEE.—The term ‘quali-
2 fied employee’ means any individual employed by a
3 qualified employer who meets certain criteria includ-
4 ing—

5 “(A) lacking access to health coverage
6 through a family member or common law part-
7 ner;

8 “(B) not being eligible for coverage under
9 the medicare program under title XVIII or the
10 medicaid program under title XIX; and

11 “(C) agreeing that the share of fees de-
12 scribed in subsection (a)(2)(B)(i) shall be paid
13 in the form of payroll deductions from the
14 wages of such individual.

15 “(6) QUALIFIED EMPLOYER.—The term ‘quali-
16 fied employer’ means an employer as defined in sec-
17 tion 3(d) of the Fair Labor Standards Act of 1938
18 (29 U.S.C. 203(d)) who—

19 “(A) is a small business concern as defined
20 in section 3(a) of the Small Business Act (15
21 U.S.C. 632);

22 “(B) is located in the region described in
23 subsection (a)(2)(A)(i); and

24 “(C) has not contributed to the health care
25 benefits of its employees for at least 12 months

1 consecutively or currently provides insurance
2 but is classified as a distressed business.

3 “(h) EVALUATION.—Not later than 90 days after the
4 end of the 5-year period during which grants are available
5 under this section, the General Accounting Office shall
6 begin preparing a report for the Secretary and the appro-
7 priate committees of Congress concerning—

8 “(1) the effectiveness of the programs estab-
9 lished under this section;

10 “(2) the number of individuals covered under
11 such programs;

12 “(3) any resulting best practices; and

13 “(4) the level of community involvement.

14 “(i) AUTHORIZATION OF APPROPRIATIONS.—There is
15 authorized to be appropriated and there is appropriated
16 to carry out this section \$100,000,000 for each of fiscal
17 years 2007 through 2012.”.

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