104TH CONGRESS H. R. 3841

AN ACT

To amend the civil service laws of the United States, and for other purposes.

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To amend the civil service laws of the United States, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- tives of the United States of America in Congress assembled,
- SECTION 1. SHORT TITLE; TABLE OF CONTENTS. 3
- (a) SHORT TITLE.—This Act may be cited as the 4
- "Omnibus Civil Service Reform Act of 1996".

1 (b) Table of Contents for

2 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—DEMONSTRATION PROJECTS

Sec. 101. Demonstration projects.

TITLE II—PERFORMANCE MANAGEMENT ENHANCEMENT

- Sec. 201. No appeal of denial of periodic step-increases.
- Sec. 202. Performance appraisals.
- Sec. 203. Amendments to incentive awards authority.
- Sec. 204. Due process rights of managers under negotiated grievance procedures.
- Sec. 205. Collection and reporting of training information.

TITLE III—ENHANCEMENT OF THRIFT SAVINGS PLAN AND CERTAIN OTHER BENEFITS

- Sec. 301. Loans under the Thrift Savings Plan for furloughed employees.
- Sec. 302. Domestic relations orders.
- Sec. 303. Unreduced additional optional life insurance.

TITLE IV—REORGANIZATION FLEXIBILITY

- Sec. 401. Voluntary reductions in force.
- Sec. 402. Nonreimbursable details to Federal agencies before a reduction in force.

TITLE V—SOFT-LANDING PROVISIONS

- Sec. 501. Temporary continuation of Federal employees' life insurance.
- Sec. 502. Continued eligibility for health insurance.
- Sec. 503. Job placement and counseling services.
- Sec. 504. Education and retraining incentives.

TITLE VI—MISCELLANEOUS

- Sec. 601. Reimbursements relating to professional liability insurance.
- Sec. 602. Employment rights following conversion to contract.
- Sec. 603. Debarment of health care providers found to have engaged in fraudulent practices.
- Sec. 604. Consistent coverage for individuals enrolled in a health plan administered by the Federal banking agencies.
- Sec. 605. Amendment to Public Law 104-134.
- Sec. 606. Miscellaneous amendments relating to the health benefits program for Federal employees.
- Sec. 607. Pay for certain positions formerly classified at GS-18.
- Sec. 608. Repeal of section 1307 of title 5 of the United States Code.
- Sec. 609. Extension of certain procedural and appeal rights to certain personnel of the Federal Bureau of Investigation.

1 TITLE I—DEMONSTRATION 2 PROJECTS

| _ | INCOLCIO |
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| 3 | SEC. 101. DEMONSTRATION PROJECTS. |
| 4 | (a) Definitions.—Paragraph (1) of section 4701(a) |
| 5 | of title 5, United States Code, is amended by striking sub- |
| 6 | paragraph (A) and by redesignating subparagraphs (B) |
| 7 | and (C) as subparagraphs (A) and (B), respectively. |
| 8 | (b) Pre-Implementation Procedures.—Sub- |
| 9 | section (b) of section 4703 of title 5, United States Code, |
| 10 | is amended to read as follows: |
| 11 | "(b) Before an agency or the Office may conduct or |
| 12 | enter into any agreement or contract to conduct a dem- |
| 13 | onstration project, the Office— |
| 14 | "(1) shall develop or approve a plan for such |
| 15 | project which identifies— |
| 16 | "(A) the purposes of the project; |
| 17 | "(B) the methodology; |
| 18 | "(C) the duration; and |
| 19 | "(D) the methodology and criteria for eval- |
| 20 | uation; |
| 21 | "(2) shall publish the plan in the Federal Reg- |
| 22 | ister; |
| 23 | "(3) may solicit comments from the public and |
| 24 | interested parties in such manner as the Office con- |
| 25 | siders appropriate; |

| 1 | "(4) shall obtain approval from each agency in- |
|----|---|
| 2 | volved of the final version of the plan; and |
| 3 | "(5) shall provide notification of the proposed |
| 4 | project, at least 30 days in advance of the date any |
| 5 | project proposed under this section is to take ef- |
| 6 | fect— |
| 7 | "(A) to employees who are likely to be af- |
| 8 | fected by the project; and |
| 9 | "(B) to each House of the Congress.". |
| 10 | (c) Nonwaivable Provisions.—Section 4703(c) of |
| 11 | title 5, United States Code, is amended— |
| 12 | (1) by striking paragraph (1) and inserting the |
| 13 | following: |
| 14 | "(1) any provision of subchapter V of chapter |
| 15 | 63 or subpart G of part III of this title;"; and |
| 16 | (2) by striking paragraph (3) and inserting the |
| 17 | following: |
| 18 | "(3) any provision of chapter 15 or subchapter |
| 19 | II or III of chapter 73 of this title;". |
| 20 | (d) Limitations.—Subsection (d) of section 4703 of |
| 21 | title 5, United States Code, is amended to read as follows: |
| 22 | "(d)(1) Each demonstration project shall terminate |
| 23 | before the end of the 5-year period beginning on the date |
| 24 | on which the project takes effect, except that the project |
| 25 | may continue for a maximum of 2 years beyond the date |

- 1 to the extent necessary to validate the results of the
- 2 project.
- 3 "(2)(A) Not more than 15 active demonstration
- 4 projects may be in effect at any time, and of the projects
- 5 in effect at any time, not more than 5 may involve 5,000
- 6 or more individuals each.
- 7 "(B) Individuals in a control group necessary to vali-
- 8 date the results of a project shall not, for purposes of any
- 9 determination under subparagraph (A), be considered to
- 10 be involved in such project.".
- 11 (e) EVALUATIONS.—Subsection (h) of section 4703
- 12 of title 5, United States Code, is amended by adding at
- 13 the end the following: "The Office may, with respect to
- 14 a demonstration project conducted by another agency, re-
- 15 quire that the preceding sentence be carried out by such
- 16 other agency.".
- 17 (f) Provisions for Termination of Project or
- 18 Making It Permanent.—Section 4703 of title 5, United
- 19 States Code, is amended—
- 20 (1) in subsection (i) by inserting "by the Of-
- 21 fice" after "undertaken"; and
- 22 (2) by adding at the end the following:
- (ij)(1) If the Office determines that termination of
- 24 a demonstration project (whether under subsection (e) or
- 25 otherwise) would result in the inequitable treatment of em-

- 1 ployees who participated in the project, the Office shall
- 2 take such corrective action as is within its authority. If
- 3 the Office determines that legislation is necessary to cor-
- 4 rect an inequity, it shall submit an appropriate legislative
- 5 proposal to both Houses of Congress.
- 6 "(2) If the Office determines that a demonstration
- 7 project should be made permanent, it shall submit an ap-
- 8 propriate legislative proposal to both Houses of Con-
- 9 gress.".

10 TITLE II—PERFORMANCE

11 MANAGEMENT ENHANCEMENT

- 12 SEC. 201. NO APPEAL OF DENIAL OF PERIODIC STEP-IN-
- 13 CREASES.
- 14 (a) IN GENERAL.—Section 5335(c) of title 5, United
- 15 States Code, is amended—
- 16 (1) by striking the second sentence;
- 17 (2) in the third sentence by striking "or ap-
- peal"; and
- 19 (3) in the last sentence by striking "and the en-
- 20 titlement of the employee to appeal to the Board do
- 21 not apply" and inserting "does not apply".
- 22 (b) Performance Ratings.—Section 5335 of title
- 23 5, United States Code, as amended by subsection (a), is
- 24 further amended—

| 1 | (1) in subsection (a)(B) by striking "work of |
|----|--|
| 2 | the employee is of an acceptable level of com- |
| 3 | petence" and inserting "performance of the em- |
| 4 | ployee is at least fully successful"; |
| 5 | (2) in subsection (c)— |
| 6 | (A) in the first sentence by striking "work |
| 7 | of an employee is not of an acceptable level of |
| 8 | competence," and inserting "performance of an |
| 9 | employee is not at least fully successful,"; and |
| 10 | (B) in the last sentence by striking "ac- |
| 11 | ceptable level of competence" and inserting |
| 12 | "fully successful work performance"; and |
| 13 | (3) by adding at the end the following: |
| 14 | "(g) For purposes of this section, the term 'fully suc- |
| 15 | cessful' denotes work performance that satisfies the re- |
| 16 | quirements of section 351.504(d)(3)(D) of title 5 of the |
| 17 | Code of Federal Regulations (as deemed to be amended |
| 18 | by section $3502(g)(2)(B)$.". |
| 19 | SEC. 202. PERFORMANCE APPRAISALS. |
| 20 | (a) In General.—Section 4302 of title 5, United |
| 21 | States Code, is amended— |
| 22 | (1) in subsection (b) by striking paragraphs (5) |
| 23 | and (6) and inserting the following: |

| 1 | "(5) assisting employees in improving unaccept- |
|----|--|
| 2 | able performance, except in circumstances described |
| 3 | in subsection (c); and |
| 4 | "(6) reassigning, reducing in grade, removing, |
| 5 | or taking other appropriate action against employees |
| 6 | whose performance is unacceptable."; and |
| 7 | (2) by adding at the end the following: |
| 8 | "(c) Upon notification of unacceptable performance, |
| 9 | an employee shall be afforded an opportunity to dem- |
| 10 | onstrate acceptable performance before a reduction in |
| 11 | grade or removal may be proposed under section 4303 |
| 12 | based on such performance, except that an employee so |
| 13 | afforded such an opportunity shall not be afforded any |
| 14 | further opportunity to demonstrate acceptable perform- |
| 15 | ance if the employee's performance again is determined |
| 16 | to be at an unacceptable level.". |
| 17 | (b) Effective Date.— |
| 18 | (1) In general.—Subject to paragraph (2), |
| 19 | this section and the amendments made by this sec- |
| 20 | tion shall take effect 180 days after the date of the |
| 21 | enactment of this Act. |
| 22 | (2) Exception.—The amendments made by |
| 23 | this section shall not apply in the case of any pro- |
| 24 | posed action as to which the employee receives ad- |

vance written notice, in accordance with section

| 1 | 4303(b)(1)(A) of title 5, United States Code, before |
|----|--|
| 2 | the effective date of this section. |
| 3 | SEC. 203. AMENDMENTS TO INCENTIVE AWARDS AUTHOR- |
| 4 | ITY. |
| 5 | Chapter 45 of title 5, United States Code, is amend- |
| 6 | ed— |
| 7 | (1) by amending section 4501 to read as fol- |
| 8 | lows: |
| 9 | "§ 4501. Definitions |
| 10 | "For the purpose of this subchapter— |
| 11 | "(1) the term 'agency' means— |
| 12 | "(A) an Executive agency; |
| 13 | "(B) the Library of Congress; |
| 14 | "(C) the Office of the Architect of the |
| 15 | Capitol; |
| 16 | "(D) the Botanic Garden; |
| 17 | "(E) the Government Printing Office; and |
| 18 | "(F) the United States Sentencing Com- |
| 19 | mission; |
| 20 | but does not include— |
| 21 | "(i) the Tennessee Valley Authority; or |
| 22 | "(ii) the Central Bank for Cooperatives; |
| 23 | "(2) the term 'employee' means an employee as |
| 24 | defined by section 2105; and |

"(3) the term 'Government' means the Govern-1 2 ment of the United States."; (2) by amending section 4503 to read as fol-3 4 lows: 5 "§ 4503. Agency awards 6 "(a) The head of an agency may pay a cash award to, and incur necessary expense for the honorary recogni-8 tion of, an employee who— 9 "(1) by his suggestion, invention, superior ac-10 complishment, or other personal effort, contributes 11 to the efficiency, economy, or other improvement of 12 Government operations or achieves a significant re-13 duction in paperwork; or 14 "(2) performs a special act or service in the 15 public interest in connection with or related to his 16 official employment. 17 "(b)(1) If the criteria under paragraph (1) or (2) of 18 subsection (a) are met on the basis of the suggestion, invention, superior accomplishment, act, service, or other 19 meritorious effort of a group of employees collectively, and 21 if the circumstances so warrant (such as by reason of the infeasibility of determining the relative role or contribution 23 assignable to each employee separately), authority under subsection (a) may be exercised—

| 1 | "(A) based on the collective efforts of the |
|----|--|
| 2 | group; and |
| 3 | "(B) with respect to each member of such |
| 4 | group. |
| 5 | "(2) The amount awarded to each member of a group |
| 6 | under this subsection— |
| 7 | "(A) shall be the same for all members of such |
| 8 | group, except that such amount may be prorated to |
| 9 | reflect differences in the period of time during which |
| 10 | an individual was a member of the group; and |
| 11 | "(B) may not exceed the maximum cash award |
| 12 | allowable under subsection (a) or (b) of section |
| 13 | 4502, as applicable."; and |
| 14 | (3) in subsection $(a)(1)$ of section 4505a by |
| 15 | striking "at the fully successful level or higher" and |
| 16 | inserting "higher than the fully successful level". |
| 17 | SEC. 204. DUE PROCESS RIGHTS OF MANAGERS UNDER NE- |
| 18 | GOTIATED GRIEVANCE PROCEDURES. |
| 19 | (a) In General.—Paragraph (2) of section 7121(b) |
| 20 | of title 5, United States Code, is amended to read as fol- |
| 21 | lows: |
| 22 | "(2) The provisions of a negotiated grievance proce- |
| 23 | dure providing for binding arbitration in accordance with |
| 24 | paragraph (1)(C)(iii) shall, if or to the extent that an al- |
| 25 | leged prohibited personnel practice is involved, allow the |

- 1 arbitrator to order a stay of any personnel action in a
- 2 manner similar to the manner described in section 1221(c)
- 3 with respect to the Merit Systems Protection Board.".
- 4 (b) Effective Date.—The amendment made by
- 5 subsection (a)—
- 6 (1) shall take effect on the date of the enact-
- 7 ment of this Act; and
- 8 (2) shall apply with respect to orders issued on
- 9 or after the date of the enactment of this Act, not-
- withstanding the provisions of any collective bargain-
- ing agreement.
- 12 SEC. 205. COLLECTION AND REPORTING OF TRAINING IN-
- 13 **FORMATION.**
- 14 (a) Training Within Government.—The Office of
- 15 Personnel Management shall collect information concern-
- 16 ing training programs, plans, and methods utilized by
- 17 agencies of the Government and submit a report to the
- 18 Congress on this activity on an annual basis.
- 19 (b) Training Outside of Government.—The Of-
- 20 fice of Personnel Management, to the extent it considers
- 21 appropriate in the public interest, may collect information
- 22 concerning training programs, plans, and methods utilized
- 23 outside the Government. The Office, on request, may
- 24 make such information available to an agency and to Con-
- 25 gress.

III—ENHANCEMENT TITLE OF 1 THRIFT SAVINGS PLAN AND 2 **CERTAIN OTHER BENEFITS** 3 4 SEC. 301. LOANS UNDER THE THRIFT SAVINGS PLAN FOR 5 FURLOUGHED EMPLOYEES. 6 Section 8433(g) of title 5, United States Code, is amended by adding at the end the following: 7 8 "(6) An employee who has been furloughed due to a lapse in appropriations may not be denied a loan under this subsection solely because such employee is not in a 10 11 pay status.". 12 SEC. 302. DOMESTIC RELATIONS ORDERS. 13 (a) In General.—Section 8705 of title 5, United States Code, is amended— 14 15 (1) in subsection (a) by striking "(a) The" and 16 inserting "(a) Except as provided in subsection (e), 17 the"; and 18 (2) by adding at the end the following: 19 "(e)(1) Any amount which would otherwise be paid 20 to a person determined under the order of precedence named by subsection (a) shall be paid (in whole or in part) by the Office to another person if and to the extent expressly provided for in the terms of any court decree of 24 divorce, annulment, or legal separation, or the terms of

any court order or court-approved property settlement

- 1 agreement incident to any court decree of divorce, annul-
- 2 ment, or legal separation.
- 3 "(2) For purposes of this subsection, a decree, order,
- 4 or agreement referred to in paragraph (1) shall not be
- 5 effective unless it is received, before the date of the cov-
- 6 ered employee's death, by the employing agency or, if the
- 7 employee has separated from service, by the Office.
- 8 "(3) A designation under this subsection with respect
- 9 to any person may not be changed except—
- "(A) with the written consent of such person, if
- 11 received as described in paragraph (2); or
- 12 "(B) by modification of the decree, order, or
- agreement, as the case may be, if received as de-
- scribed in paragraph (2).
- 15 "(4) The Office shall prescribe any regulations nec-
- 16 essary to carry out this subsection, including regulations
- 17 for the application of this subsection in the event that 2
- 18 or more decrees, orders, or agreements, are received with
- 19 respect to the same amount.".
- 20 (b) Directed Assignment.—Section 8706(e) of
- 21 title 5, United States Code, is amended—
- 22 (1) by striking "(e)" and inserting "(e)(1)";
- 23 and
- 24 (2) by adding at the end the following:

"(2) A court decree of divorce, annulment, or legal 1 separation, or the terms of a court-approved property set-3 tlement agreement incidental to any court decree of divorce, annulment, or legal separation, may direct that an insured employee or former employee make an irrevocable assignment of the employee's or former employee's inci-6 dents of ownership in insurance under this chapter (if 8 there is no previous assignment) to the person specified in the court order or court-approved property settlement 10 agreement.". SEC. 303. UNREDUCED ADDITIONAL OPTIONAL LIFE INSUR-12 ANCE. 13 (a) In General.—Section 8714b of title 5, United 14 States Code, is amended— 15 (1) in subsection (c)— 16 (A) by striking the last 2 sentences of 17 paragraph (2); and 18 (B) by adding at the end the following: 19 "(3) The amount of additional optional insurance continued under paragraph (2) shall be continued, with 20 21 or without reduction, in accordance with the employee's written election at the time eligibility to continue insur-23 ance during retirement or receipt of compensation arises, as follows: 24

| 1 | "(A) The employee may elect to have |
|----|---|
| 2 | withholdings cease in accordance with subsection |
| 3 | (d), in which case— |
| 4 | "(i) the amount of additional optional in- |
| 5 | surance continued under paragraph (2) shall be |
| 6 | reduced each month by 2 percent effective at |
| 7 | the beginning of the second calendar month |
| 8 | after the date the employee becomes 65 years of |
| 9 | age and is retired or is in receipt of compensa- |
| 10 | tion; and |
| 11 | "(ii) the reduction under clause (i) shall |
| 12 | continue for 50 months at which time the insur- |
| 13 | ance shall stop. |
| 14 | "(B) The employee may, instead of the option |
| 15 | under subparagraph (A), elect to have the full cost |
| 16 | of additional optional insurance continue to be with- |
| 17 | held from such employee's annuity or compensation |
| 18 | on and after the date such withholdings would other- |
| 19 | wise cease pursuant to an election under subpara- |
| 20 | graph (A), in which case the amount of additional |
| 21 | optional insurance continued under paragraph (2) |
| 22 | shall not be reduced, subject to paragraph (4). |
| 23 | "(C) An employee who does not make any elec- |
| 24 | tion under the preceding provisions of this para- |

- 1 graph shall be treated as if such employee had made
- 2 an election under subparagraph (A).
- 3 "(4) If an employee makes an election under para-
- 4 graph (3)(B), that individual may subsequently cancel
- 5 such election, in which case additional optional insurance
- 6 shall be determined as if the individual had originally
- 7 made an election under paragraph (3)(A)."; and
- 8 (2) in the second sentence of subsection (d)(1)
- 9 by inserting "if insurance is continued as provided
- in subparagraph (A) of paragraph (3)," after "ex-
- cept that,".
- 12 (b) Effective Date.—The amendments made by
- 13 this section shall take effect on the 120th day after the
- 14 date of the enactment of this Act and shall apply to em-
- 15 ployees who become eligible, on or after such 120th day,
- 16 to continue additional optional insurance during retire-
- 17 ment or receipt of compensation.

18 TITLE IV—REORGANIZATION

19 **FLEXIBILITY**

- 20 SEC. 401. VOLUNTARY REDUCTIONS IN FORCE.
- Section 3502(f) of title 5, United States Code, is
- 22 amended to read as follows:
- (f)(1) The head of an Executive agency or military
- 24 department may, in accordance with regulations pre-
- 25 scribed by the Office of Personnel Management—

- 1 "(A) separate from service any employee who
- 2 volunteers to be separated under this subparagraph
- 3 even though the employee is not otherwise subject to
- 4 separation due to a reduction in force; and
- 5 "(B) for each employee voluntarily separated
- 6 under subparagraph (A), retain an employee in a
- 7 similar position who would otherwise be separated
- 8 due to a reduction in force.
- 9 "(2) The separation of an employee under paragraph
- 10 (1)(A) shall be treated as an involuntary separation due
- 11 to a reduction in force, except for purposes of priority
- 12 placement programs and advance notice.
- 13 "(3) An employee with critical knowledge and skills
- 14 (as defined by the head of the Executive agency or military
- 15 department concerned) may not participate in a voluntary
- 16 separation under paragraph (1)(A) if the agency or de-
- 17 partment head concerned determines that such participa-
- 18 tion would impair the performance of the mission of the
- 19 agency or department (as applicable).
- 20 "(4) The regulations prescribed under this section
- 21 shall incorporate the authority provided in this subsection.
- 22 "(5) No authority under paragraph (1) may be exer-
- 23 cised after September 30, 2001.".

| 1 | SEC. 402. NONREIMBURSABLE DETAILS TO FEDERAL AGEN- |
|----|--|
| 2 | CIES BEFORE A REDUCTION IN FORCE. |
| 3 | (a) In General.—Section 3341 of title 5, United |
| 4 | States Code, is amended to read as follows: |
| 5 | "§ 3341. Details; within Executive agencies and mili- |
| 6 | tary departments; employees affected by |
| 7 | reduction in force |
| 8 | "(a) The head of an Executive agency or military de- |
| 9 | partment may detail employees, except those required by |
| 10 | law to be engaged exclusively in some specific work, among |
| 11 | the bureaus and offices of the agency or department. |
| 12 | "(b) The head of an Executive agency or military de- |
| 13 | partment may detail to duties in the same or another |
| 14 | agency or department, on a nonreimbursable basis, an em- |
| 15 | ployee who has been identified by the employing agency |
| 16 | as likely to be separated from the Federal service by re- |
| 17 | duction in force or who has received a specific notice of |
| 18 | separation by reduction in force. |
| 19 | "(c)(1) Details under subsection (a)— |
| 20 | "(A) may not be for periods exceeding 120 |
| 21 | days; and |
| 22 | "(B) may be renewed (1 or more times) by |
| 23 | written order of the head of the agency or depart- |
| 24 | ment, in each particular case, for periods not exceed- |
| 25 | ing 120 days each. |
| 26 | "(2) Details under subsection (b)— |

| 1 | "(A) may not be for periods exceeding 90 days; |
|----|---|
| 2 | and |
| 3 | "(B) may not be renewed. |
| 4 | "(d) The 120-day limitation under subsection (c)(1) |
| 5 | for details and renewals of details does not apply to the |
| 6 | Department of Defense in the case of a detail— |
| 7 | "(1) made in connection with the closure or re- |
| 8 | alignment of a military installation pursuant to a |
| 9 | base closure law or an organizational restructuring |
| 10 | of the Department as part of a reduction in the size |
| 11 | of the armed forces or the civilian workforce of the |
| 12 | Department; and |
| 13 | "(2) in which the position to which the em- |
| 14 | ployee is detailed is eliminated on or before the date |
| 15 | of the closure, realignment, or restructuring. |
| 16 | "(e) For purposes of this section— |
| 17 | "(1) the term 'base closure law' means— |
| 18 | "(A) section 2687 of title 10; |
| 19 | "(B) title II of the Defense Authorization |
| 20 | Amendments and Base Closure and Realign- |
| 21 | ment Act; and |
| 22 | "(C) the Defense Base Closure and Re- |
| 23 | alignment Act of 1990; and |
| 24 | "(2) the term 'military installation'— |

| 1 | "(A) in the case of an installation covered |
|----|---|
| 2 | by section 2687 of title 10, has the meaning |
| 3 | given such term in subsection $(e)(1)$ of such |
| 4 | section; |
| 5 | "(B) in the case of an installation covered |
| 6 | by the Act referred to in subparagraph (B) of |
| 7 | paragraph (1), has the meaning given such |
| 8 | term in section 209(6) of such Act; and |
| 9 | "(C) in the case of an installation covered |
| 10 | by the Act referred to in subparagraph (C) of |
| 11 | paragraph (1), has the meaning given such |
| 12 | term in section 2910(4) of such Act.". |
| 13 | (b) CLERICAL AMENDMENT.—The table of sections |
| 14 | for chapter 33 of title 5, United States Code, is amended |
| 15 | by striking the item relating to section 3341 and inserting |
| 16 | the following: |
| | "3341. Details; within Executive agencies and military departments; employees affected by reduction in force.". |
| 17 | (c) Effective Date.—The amendments made by |
| 18 | this section shall take effect 30 days after the date of the |

19 enactment of this Act.

TITLE V—SOFT-LANDING 1 **PROVISIONS** 2 3 SEC. 501. TEMPORARY CONTINUATION OF FEDERAL EM-4 PLOYEES' LIFE INSURANCE. 5 Section 8706 of title 5, United States Code, is amended by adding at the end the following: "(g)(1) Notwithstanding subsections (a) and (b) of 7 this section, an employee whose coverage under this chapter would otherwise terminate due to a separation de-10 scribed in paragraph (3) shall be eligible to continue basic 11 insurance coverage described in section 8704 in accord-12 ance with this subsection and regulations the Office may prescribe, if the employee arranges to pay currently into 13 the Employees Life Insurance Fund, through the former employing agency or, if an annuitant, through the respon-15 sible retirement system, an amount equal to the sum of— 17 "(A) both employee and agency contributions 18 which would be payable if separation had not oc-19 curred; plus 20 "(B) an amount, determined under regulations 21 prescribed by the Office, to cover necessary adminis-22 trative expenses, but not to exceed 2 percent of the 23 total amount under subparagraph (A). 24 "(2) Continued coverage under this subsection may

not extend beyond the date which is 18 months after the

- 1 effective date of the separation which entitles a former em-
- 2 ployee to coverage under this subsection. Termination of
- 3 continued coverage under this subsection shall be subject
- 4 to provision for temporary extension of life insurance cov-
- 5 erage and for conversion to an individual policy of life in-
- 6 surance as provided by subsection (a). If an eligible em-
- 7 ployee does not make an election for purposes of this sub-
- 8 section, the employee's insurance will terminate as pro-
- 9 vided by subsection (a).
- 10 "(3)(A) This subsection shall apply to an employee
- 11 who, on or after the date of enactment of this subsection
- 12 and before the applicable date under subparagraph (B)—
- "(i) is involuntarily separated from a position
- due to a reduction in force, or separates voluntarily
- 15 from a position the employing agency determines is
- 16 a 'surplus position' as defined by section
- 17 8905(d)(4)(C); and
- 18 "(ii) is insured for basic insurance under this
- chapter on the date of separation.
- 20 "(B) The applicable date under this subparagraph is
- 21 October 1, 2001, except that, for purposes of any involun-
- 22 tary separation referred to in subparagraph (A) with re-
- 23 spect to which appropriate specific notice is afforded to
- 24 the affected employee before October 1, 2001, the applica-
- 25 ble date under this subparagraph is February 1, 2002.".

| 1 | SEC. 502. CONTINUED ELIGIBILITY FOR HEALTH INSUR- |
|----|---|
| 2 | ANCE. |
| 3 | (a) Continued Eligibility After Retire- |
| 4 | MENT.—Section 8905 of title 5, United States Code, is |
| 5 | amended— |
| 6 | (1) in the first sentence of subsection (b) by |
| 7 | striking "An" and inserting "Subject to subsection |
| 8 | (g), an'; and |
| 9 | (2) by adding at the end the following: |
| 10 | "(g)(1) The Office shall waive the requirements for |
| 11 | continued enrollment under subsection (b) in the case of |
| 12 | any individual who, on or after the date of the enactment |
| 13 | of this subsection and before the applicable date under |
| 14 | paragraph (2)— |
| 15 | "(A) is involuntarily separated from a position, |
| 16 | or voluntarily separated from a surplus position, in |
| 17 | or under an Executive agency due to a reduction in |
| 18 | force, |
| 19 | "(B) based on the separation referred to in sub- |
| 20 | paragraph (A), retires on an immediate annuity |
| 21 | under subchapter III of chapter 83 or subchapter II |
| 22 | of chapter 84, and |
| 23 | "(C) is enrolled in a health benefits plan under |
| 24 | this chapter as an employee immediately before re- |
| 25 | tirement. |

- 1 "(2) The applicable date under this paragraph is Oc-
- 2 tober 1, 2001, except that, for purposes of any involuntary
- 3 separation referred to in paragraph (1)(A) with respect
- 4 to which appropriate specific notice is afforded to the af-
- 5 fected employee before October 1, 2001, the applicable
- 6 date under this paragraph is February 1, 2002.
- 7 "(3) For purposes of this subsection, the term 'sur-
- 8 plus position', with respect to an agency, means any posi-
- 9 tion determined in accordance with regulations under sec-
- 10 tion 8905a(d)(4)(C) for such agency.".
- 11 (b) Temporary Continued Eligibility After
- 12 Being Involuntarily Separated.—Section
- 13 8905a(d)(4) of title 5, United States Code, is amended—
- (1) in subparagraph (A) by striking "the De-
- partment of Defense" and inserting "an Executive
- agency"; and
- 17 (2) by amending subparagraph (C) to read as
- 18 follows:
- 19 "(C) For purposes of this paragraph, the term 'sur-
- 20 plus position' means a position that, as determined under
- 21 regulations prescribed by the head of the agency involved,
- 22 is identified during planning for a reduction in force as
- 23 being no longer required and is designated for elimination
- 24 during the reduction in force.".

SEC. 503. JOB PLACEMENT AND COUNSELING SERVICES.

- 2 (a) AUTHORITY FOR SERVICES.—The head of each
- 3 Executive agency may establish a program to provide job
- 4 placement and counseling services to current and former
- 5 employees.
- 6 (b) Types of Services Authorized.—A program
- 7 established under this section may include such services
- 8 as—
- 9 (1) career and personal counseling;
- 10 (2) training in job search skills; and
- 11 (3) job placement assistance, including assist-
- ance provided through cooperative arrangements
- with State and local employment service offices.
- 14 (c) Eligibility for Services.—Services authorized
- 15 by this section may be provided to—
- 16 (1) current employees of the agency or, with the
- approval of such other agency, any other agency;
- 18 and
- 19 (2) employees of the agency or, with the ap-
- proval of such other agency, any other agency who
- 21 have been separated for less than 1 year, if the sepa-
- ration was not a removal for cause on charges of
- 23 misconduct or delinquency.
- 24 (d) Reimbursement for Costs.—The costs of
- 25 services provided to current or former employees of an-
- 26 other agency shall be reimbursed by that agency.

SEC. 504. EDUCATION AND RETRAINING INCENTIVES.

| 2 | (a) Non-Federal Employment Incentive Pay- |
|----|---|
| 3 | MENTS.— |
| 4 | (1) Definitions.—For purposes of this sub- |
| 5 | section— |
| 6 | (A) the term "eligible employee" means an |
| 7 | employee who is involuntarily separated from a |
| 8 | position, or voluntarily separated from a sur- |
| 9 | plus position, in or under an Executive agency |
| 10 | due to a reduction in force, except that such |
| 11 | term does not include an employee who, at the |
| 12 | time of separation, meets the age and service |
| 13 | requirements for an immediate annuity under |
| 14 | subchapter III of chapter 83 or chapter 84 of |
| 15 | title 5, United States Code, other than under |
| 16 | section 8336(d) or 8414(b) of such title; |
| 17 | (B) the term "non-Federal employer" |
| 18 | means an employer other than the Government |
| 19 | of the United States or any agency or other in- |
| 20 | strumentality thereof; |
| 21 | (C) the term "Executive agency" has the |
| 22 | meaning given such term by section 105 of title |
| 23 | 5, United States Code; and |
| 24 | (D) the term "surplus position" has the |
| 25 | meaning given such term by section |
| 26 | 8905(d)(4)(C) of title 5, United States Code. |

| 1 | (2) AUTHORITY.—The head of an Executive |
|----|--|
| 2 | agency may pay retraining and relocation incentive |
| 3 | payments, in accordance with this subsection, in |
| 4 | order to facilitate the reemployment of eligible em- |
| 5 | ployees who are separated from such agency. |
| 6 | (3) Retraining incentive payment.— |
| 7 | (A) AGREEMENT.—The head of an Execu- |
| 8 | tive agency may enter into an agreement with |
| 9 | a non-Federal employer under which the non- |
| 10 | Federal employer agrees— |
| 11 | (i) to employ an individual referred to |
| 12 | in paragraph (2) for at least 12 months |
| 13 | for a salary which is mutually agreeable to |
| 14 | the employer and such individual; and |
| 15 | (ii) to certify to the agency head any |
| 16 | costs incurred by the employer for any nec- |
| 17 | essary training provided to such individual |
| 18 | in connection with the employment by such |
| 19 | employer. |
| 20 | (B) Payment of retraining incentive |
| 21 | PAYMENT.—The agency head shall pay a re- |
| 22 | training incentive payment to the non-Federal |
| 23 | employer upon the employee's completion of 12 |

months of continuous employment by that em-

- ployer. The agency head shall prescribe the amount of the incentive payment.
 - (C) PRORATION RULE.—The agency head shall pay a prorated amount of the full retraining incentive payment to the non-Federal employer for an employee who does not remain employed by the non-Federal employer for at least 12 months, but only if the employee remains so employed for at least 6 months.
 - (D) LIMITATION.—In no event may the amount of the retraining incentive payment paid for the training of any individual exceed the amount certified for such individual under subparagraph (A), subject to subsection (c).
 - (4) Relocation incentive payment.—The head of an agency may pay a relocation incentive payment to an eligible employee if it is necessary for the employee to relocate in order to commence employment with a non-Federal employer. Subject to subsection (e), the amount of the incentive payment shall not exceed the amount that would be payable for travel, transportation, and subsistence expenses under subchapter II of chapter 57 of title 5, United States Code, including any reimbursement authorized under section 5724b of such title, to a Federal

| 1 | employee who transfers between the same locations |
|----|---|
| 2 | as the individual to whom the incentive payment is |
| 3 | payable. |
| 4 | (5) Duration.—No incentive payment may be |
| 5 | paid for training or relocation commencing after |
| 6 | June 30, 2002. |
| 7 | (6) Source.—An incentive payment under this |
| 8 | subsection shall be payable from appropriations or |
| 9 | other funds available to the agency for purposes of |
| 10 | training (within the meaning of section 4101(4) of |
| 11 | title 5, United States Code). |
| 12 | (b) Educational Assistance.— |
| 13 | (1) Definitions.—For purposes of this sub- |
| 14 | section— |
| 15 | (A) the term "eligible employee" means an |
| 16 | eligible employee, within the meaning of sub- |
| 17 | section (a), who — |
| 18 | (i) is employed full-time on a perma- |
| 19 | nent basis; |
| 20 | (ii) has completed at least 3 years of |
| 21 | current continuous service in any Execu- |
| 22 | tive agency or agencies; and |
| 23 | (iii) is admitted to an institution of |
| 24 | higher education within 1 year after sepa- |
| 25 | ration; |

| 1 | (B) the term "Executive agency" has the |
|----|---|
| 2 | meaning given such term by section 105 of title |
| | |
| 3 | 5, United States Code; |
| 4 | (C) the term "educational assistance" |
| 5 | means payments for educational assistance as |
| 6 | provided in section 127(c)(1) of the Internal |
| 7 | Revenue Code of 1986 (26 U.S.C. $127(c)(1)$) |
| 8 | and |
| 9 | (D) the term "institution of higher edu- |
| 10 | cation" has the meaning given such term by |
| 11 | section 1201(a) of the Higher Education Act of |
| 12 | 1965 (20 U.S.C. 1141(a)). |
| 13 | (2) Authority.—Under regulations prescribed |
| 14 | by the Office of Personnel Management, and subject |
| 15 | to the limitations under subsection (c), the head of |
| 16 | an Executive agency may, in his or her discretion |
| 17 | provide educational assistance under this subsection |
| 18 | to an eligible employee for a program of education |
| 19 | at an institution of higher education after the sepa- |
| 20 | ration of the employee. |
| 21 | • • |
| | |
| 22 | under this subsection may be paid later than 10 |
| 23 | years after the separation of the eligible employee. |
| 24 | (4) Source.—Educational assistance payments |

shall be payable from appropriations or other funds

which would have been used to pay the salary of the eligible employee if the employee had not separated.

(5) REGULATIONS.—The Office of Personnel Management shall prescribe regulations for the administration of this subsection. Such regulations shall provide that educational assistance payments shall be limited to amounts necessary for current tuition and fees only.

(c) Limitations.—

- (1) AGGREGATE LIMITATION.—No incentive payment or educational assistance payment may be paid under this section to or on behalf of any individual to the extent that such amount would cause the aggregate amount otherwise paid or payable under this section, to or on behalf of such individual, to exceed \$10,000.
- (2) LIMITATION RELATING TO EDUCATIONAL ASSISTANCE.—The total amount paid under subsection (b) to any individual—
 - (A) may not exceed \$6,000 if the individual has at least 3 but less than 4 years of qualifying service; and
- 23 (B) may not exceed \$8,000 if the individ-24 ual has at least 4 but less than 5 years of quali-25 fying service.

| 1 | (3) Qualifying service.—For purposes of |
|----|--|
| 2 | paragraph (2), the term "qualifying service" means |
| 3 | service performed as an employee, within the mean- |
| 4 | ing of section 2105 of title 5, United States Code, |
| 5 | on a permanent full-time or permanent part-time |
| 6 | basis (counting part-time service on a prorated |
| 7 | basis). |
| 8 | TITLE VI—MISCELLANEOUS |
| 9 | SEC. 601. REIMBURSEMENTS RELATING TO PROFESSIONAL |
| 10 | LIABILITY INSURANCE. |
| 11 | (a) Authority.—Notwithstanding any other provi- |
| 12 | sion of law, any amounts appropriated, for fiscal year |
| 13 | 1997 or any fiscal year thereafter, for salaries and ex- |
| 14 | penses of Government employees may be used to reim- |
| 15 | burse any qualified employee for not to exceed one-half |
| 16 | the costs incurred by such employee for professional liabil- |
| 17 | ity insurance. A payment under this section shall be con- |
| 18 | tingent upon the submission of such information or docu- |
| 19 | mentation as the employing agency may require. |
| 20 | (b) Qualified Employee.—For purposes of this |
| 21 | section, the term "qualified employee" means— |
| 22 | (1) an agency employee whose position is that |
| 23 | of a law enforcement officer; |
| 24 | (2) an agency employee whose position is that |
| 25 | of a supervisor or management official; or |

| 1 | (3) such other employee as the head of the |
|----|---|
| 2 | agency considers appropriate |
| 3 | (c) Definitions.—For purposes of this section— |
| 4 | (1) the term "agency" means an Executive |
| 5 | agency, as defined by section 105 of title 5, United |
| 6 | States Code; |
| 7 | (2) the term "law enforcement officer" means |
| 8 | an employee, the duties of whose position are pri- |
| 9 | marily the investigation, apprehension, prosecution, |
| 10 | or detention of individuals suspected or convicted of |
| 11 | offenses against the criminal laws of the United |
| 12 | States, including any law enforcement officer under |
| 13 | section 8331(20) or 8401(17) of such title 5; |
| 14 | (3) the terms "supervisor" and "management |
| 15 | official" have the respective meanings given them by |
| 16 | section 7103(a) of such title 5; and |
| 17 | (4) the term "professional liability insurance" |
| 18 | means insurance which provides coverage for— |
| 19 | (A) legal liability for damages due to inju- |
| 20 | ries to other persons, damage to their property, |
| 21 | or other damage or loss to such other persons |
| 22 | (including the expenses of litigation and settle- |
| 23 | ment) resulting from or arising out of any |
| 24 | tortious act, error, or omission of the covered |

individual (whether common law, statutory, or

| 1 | constitutional) while in the performance of such |
|----|---|
| 2 | individual's official duties as a qualified em- |
| 3 | ployee; and |
| 4 | (B) the cost of legal representation for the |
| 5 | covered individual in connection with any ad- |
| 6 | ministrative or judicial proceeding (including |
| 7 | any investigation or disciplinary proceeding) re- |
| 8 | lating to any act, error, or omission of the cov- |
| 9 | ered individual while in the performance of such |
| 10 | individual's official duties as a qualified em- |
| 11 | ployee, and other legal costs and fees relating |
| 12 | to any such administrative or judicial proceed- |
| 13 | ing. |
| 14 | (d) Policy Limits.— |
| 15 | (1) In general.—Reimbursement under this |
| 16 | section shall not be available except in the case of |
| 17 | any professional liability insurance policy providing |
| 18 | for— |
| 19 | (A) not to exceed \$1,000,000 of coverage |
| 20 | for legal liability (as described in subsection |
| 21 | (c)(4)(A)) per occurrence per year; and |
| 22 | (B) not to exceed \$100,000 of coverage for |
| 23 | the cost of legal representation (as described in |
| 24 | subsection (c)(4)(B)) per occurrence per year. |

1 (2) Adjustments.—The head of an agency 2 may from time to time adjust the respective dollar 3 amount limitations applicable under this subsection 4 to the extent that the head of such agency considers 5 appropriate to reflect inflation.

6 SEC. 602. EMPLOYMENT RIGHTS FOLLOWING CONVERSION

7 TO CONTRACT.

- 8 (a) In General.—An employee whose position is abolished because an activity performed by an Executive 10 agency (within the meaning of section 105 of title 5, United States Code) is converted to contract shall receive from the contractor an offer in good faith of a right of first 12 refusal of employment under the contract for a position for which the employee is deemed qualified based upon 14 15 previous knowledge, skills, abilities, and experience. The contractor shall not offer employment under the contract 16 to any person prior to having complied fully with this obli-17 gation, except as provided in subsection (b), or unless no 18 19 employee whose position is abolished because such activity 20 has been converted to contract can demonstrate appro-21 priate qualifications for the position.
- 22 (b) EXCEPTION.—Notwithstanding the contractor's 23 obligation under subsection (a), the contractor is not re-24 quired to offer a right of first refusal to any employee who, 25 in the 12 months preceding conversion to contract, has

| 1 | been the subject of an adverse personnel action related to |
|--|--|
| 2 | misconduct or has received a less than fully successful per- |
| 3 | formance rating. |
| 4 | (c) Limitation.—No employee shall have a right to |
| 5 | more than 1 offer under this section based on any particu- |
| 6 | lar separation due to the conversion of an activity to con- |
| 7 | tract. |
| 8 | (d) Regulations.—Regulations to carry out this |
| 9 | section may be prescribed by the President. |
| 10 | SEC. 603. DEBARMENT OF HEALTH CARE PROVIDERS |
| 11 | FOUND TO HAVE ENGAGED IN FRAUDULENT |
| 10 | DD A CONTOUR |
| 12 | PRACTICES. |
| 12 | (a) In General.—Section 8902a of title 5, United |
| | |
| 13 | (a) In General.—Section 8902a of title 5, United |
| 13 14 | (a) In General.—Section 8902a of title 5, United States Code, is amended— |
| 131415 | (a) In General.—Section 8902a of title 5, United States Code, is amended— (1) in subsection (a)(2)(A) by striking "sub- |
| 13 14 15 16 | (a) IN GENERAL.—Section 8902a of title 5, United States Code, is amended— (1) in subsection (a)(2)(A) by striking "subsection (b) or (c)" and inserting "subsection (b), (c), |
| 13 14 15 16 17 | (a) IN GENERAL.—Section 8902a of title 5, United States Code, is amended— (1) in subsection (a)(2)(A) by striking "subsection (b) or (c)" and inserting "subsection (b), (c), or (d)"; |
| 13 14 15 16 17 18 | (a) IN GENERAL.—Section 8902a of title 5, United States Code, is amended— (1) in subsection (a)(2)(A) by striking "subsection (b) or (c)" and inserting "subsection (b), (c), or (d)"; (2) in subsection (b)— |
| 13 14 15 16 17 18 | (a) IN GENERAL.—Section 8902a of title 5, United States Code, is amended— (1) in subsection (a)(2)(A) by striking "subsection (b) or (c)" and inserting "subsection (b), (c), or (d)"; (2) in subsection (b)— (A) by striking "may" and inserting |
| 13 14 15 16 17 18 19 20 | (a) In General.—Section 8902a of title 5, United States Code, is amended— (1) in subsection (a)(2)(A) by striking "subsection (b) or (c)" and inserting "subsection (b), (c), or (d)"; (2) in subsection (b)— (A) by striking "may" and inserting "shall" in the matter before paragraph (1); and |
| 13 14 15 16 17 18 19 20 21 | (a) IN GENERAL.—Section 8902a of title 5, United States Code, is amended— (1) in subsection (a)(2)(A) by striking "subsection (b) or (c)" and inserting "subsection (b), (c), or (d)"; (2) in subsection (b)— (A) by striking "may" and inserting "shall" in the matter before paragraph (1); and (B) by amending paragraph (5) to read as |

| 1 | the Federal Government involving procurement or |
|----|---|
| 2 | nonprocurement activities."; |
| 3 | (3) by redesignating subsections (c) through (i) |
| 4 | as subsections (d) through (j), respectively, and by |
| 5 | inserting after subsection (b) the following: |
| 6 | "(c) The Office may bar the following providers of |
| 7 | health care services from participating in the program |
| 8 | under this chapter: |
| 9 | "(1) Any provider— |
| 10 | "(A) whose license to provide health care |
| 11 | services or supplies has been revoked, sus- |
| 12 | pended, restricted, or not renewed, by a State |
| 13 | licensing authority for reasons relating to the |
| 14 | provider's professional competence, professional |
| 15 | performance, or financial integrity; or |
| 16 | "(B) that surrendered such a license while |
| 17 | a formal disciplinary proceeding was pending |
| 18 | before such an authority, if the proceeding con- |
| 19 | cerned the provider's professional competence, |
| 20 | professional performance, or financial integrity. |
| 21 | "(2) Any provider that is an entity directly or |
| 22 | indirectly owned, or with a 5 percent or more con- |
| 23 | trolling interest, by an individual who is convicted of |
| 24 | any offense described in subsection (b), against |
| 25 | whom a civil monetary penalty has been assessed |

- under subsection (d), or who has been excluded from
 participation under this chapter.
 - "(3) Any provider that the Office determines, in connection with claims presented under this chapter, has charged for health care services or supplies in an amount substantially in excess of such provider's customary charges for such services or supplies (unless the Office finds there is good cause for such charge), or charged for health care services or supplies which are substantially in excess of the needs of the covered individual or which are of a quality that fails to meet professionally recognized standards for such services or supplies.
 - "(4) Any provider that the Office determines has committed acts described in subsection (d).";
 - (4) in subsection (d), as so redesignated by paragraph (3), by amending paragraph (1) to read as follows:
 - "(1) in connection with claims presented under this chapter, that a provider has charged for a health care service or supply which the provider knows or should have known involves—
- 23 "(A) an item or service not provided as claimed;

| 1 | "(B) charges in violation of applicable |
|----|---|
| 2 | charge limitations under section 8904(b); or |
| 3 | "(C) an item or service furnished during a |
| 4 | period in which the provider was excluded from |
| 5 | participation under this chapter pursuant to a |
| 6 | determination by the Office under this section, |
| 7 | other than as permitted under subsection |
| 8 | (g)(2)(B);"; |
| 9 | (5) in subsection (f), as so redesignated by |
| 10 | paragraph (3), by inserting "(where such debarment |
| 11 | is not mandatory)" after "under this section" the |
| 12 | first place it appears; |
| 13 | (6) in subsection (g), as so redesignated by |
| 14 | paragraph (3)— |
| 15 | (A) by striking " $(g)(1)$ " and all that fol- |
| 16 | lows through the end of paragraph (1) and in- |
| 17 | serting the following: |
| 18 | "(g)(1)(A) Except as provided in subparagraph (B), |
| 19 | debarment of a provider under subsection (b) or (c) shall |
| 20 | be effective at such time and upon such reasonable notice |
| 21 | to such provider, and to carriers and covered individuals, |
| 22 | as shall be specified in regulations prescribed by the Of- |
| 23 | fice. Any such provider that is excluded from participation |
| 24 | may request a hearing in accordance with subsection |
| 25 | (h)(1). |

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1
        "(B) Unless the Office determines that the health or
 2
   safety of individuals receiving health care services war-
 3
   rants an earlier effective date, the Office shall not make
 4
   a determination adverse to a provider under subsection
 5
    (c)(4) or (d) until such provider has been given reasonable
   notice and an opportunity for the determination to be
 6
 7
    made after a hearing as provided in accordance with sub-
 8
   section (h)(1).";
 9
                  (B) in paragraph (3)—
                      (i) by inserting "of debarment" after
10
                  "notice"; and
11
12
                       (ii) by adding at the end the follow-
13
                  ing: "In the case of a debarment under
14
                  paragraphs (1) through (4) of subsection
15
                  (b), the minimum period of exclusion shall
16
                  not be less than 3 years, except as pro-
17
                  vided in paragraph (4)(B)(ii)."; and
18
                  (C) in paragraph (4)(B)(i)(I) by striking
19
             "subsection (b) or (c)" and inserting "sub-
20
             section (b), (c), or (d)";
21
             (7) in subsection (h), as so redesignated by
        paragraph (3), by striking "(h)(1)" and all that fol-
22
23
        lows through the end of paragraph (2) and inserting
        the following:
24
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1 "(h)(1) Any provider of health care services or supplies that is the subject of an adverse determination by 3 the Office under this section shall be entitled to reasonable 4 notice and an opportunity to request a hearing of record, 5 and to judicial review as provided in this subsection after the Office renders a final decision. The Office shall grant 6 a request for a hearing upon a showing that due process 8 rights have not previously been afforded with respect to any finding of fact which is relied upon as a cause for 10 an adverse determination under this section. Such hearing shall be conducted without regard to subchapter II of 11 12 chapter 5 and chapter 7 of this title by a hearing officer who shall be designated by the Director of the Office and who shall not otherwise have been involved in the adverse 14 15 determination being appealed. A request for a hearing

"(2) Any provider adversely affected by a final deci-20 sion under paragraph (1) made after a hearing to which 21 such provider was a party may seek review of such deci-22 sion in the United States District Court for the District 23 of Columbia or for the district in which the plaintiff re-

under this subsection must be filed within such period and

in accordance with such procedures as the Office shall pre-

- 24 sides or has his principal place of business by filing a no-
- 25 tice of appeal in such court within 60 days from the date

scribe by regulation.

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| 1 | the decision is issued and simultaneously sending copies |
|----|---|
| 2 | of such notice by certified mail to the Director of the Of- |
| 3 | fice and to the Attorney General. In answer to the appeal, |
| 4 | the Director of the Office shall promptly file in such court |
| 5 | a certified copy of the transcript of the record, if the Office |
| 6 | conducted a hearing, and other evidence upon which the |
| 7 | findings and decision complained of are based. The court |
| 8 | shall have power to enter, upon the pleadings and evidence |
| 9 | of record, a judgment affirming, modifying, or setting |
| 10 | aside, in whole or in part, the decision of the Office, with |
| 11 | or without remanding the cause for a rehearing. The dis- |
| 12 | trict court shall not set aside or remand the decision of |
| 13 | the Office unless there is not substantial evidence on the |
| 14 | record, taken as a whole, to support the findings by the |
| 15 | Office of a cause for action under this section or unless |
| 16 | action taken by the Office constitutes an abuse of discre- |
| 17 | tion."; and |
| 18 | (8) in subsection (i), as so redesignated by |
| 19 | paragraph (3)— |
| 20 | (A) by striking "subsection (e)" and in- |
| 21 | serting "subsection (d)"; and |
| 22 | (B) by adding at the end the following: |
| 23 | "The amount of a penalty or assessment as fi- |
| 24 | nally determined by the Office, or other amount |
| 25 | the Office may agree to in compromise, may be |

deducted from any sum then or later owing by
the United States to the party against whom
the penalty or assessment has been levied.".

(b) Effective Date.—

- (1) IN GENERAL.—Except as provided in paragraph (2), this section shall take effect on the date of the enactment of this Act.
- (2) EXCEPTIONS.—(A) Paragraphs (2) and (4) of section 8902a(c) of title 5, United States Code, as amended by subsection (a), shall apply only to the extent that the misconduct which is the basis for debarment thereunder occurs after the date of the enactment of this Act.
- (B) Section 8902a(d)(1)(B) of title 5, United States Code, as amended by subsection (a), shall apply only with respect to charges which violate section 8904(b) of such title 5 for items and services furnished after the date of the enactment of this Act.
- (C) Section 8902a(g)(3) of title 5, United States Code, as amended by subsection (a), shall apply only with respect to debarments based on convictions occurring after the date of the enactment of this Act.

| 1 | SEC. 604. CONSISTENT COVERAGE FOR INDIVIDUALS EN- |
|----|--|
| 2 | ROLLED IN A HEALTH PLAN ADMINISTERED |
| 3 | BY THE FEDERAL BANKING AGENCIES. |
| 4 | Section 5 of the FEGLI Living Benefits Act (Public |
| 5 | Law 103–409; 108 Stat. 4232) is amended— |
| 6 | (1) by inserting "and the Board of Governors |
| 7 | of the Federal Reserve System" after "Office of the |
| 8 | Comptroller of the Currency and the Office of Thrift |
| 9 | Supervision" each place it appears; |
| 10 | (2) in subsection (a), by inserting "or under a |
| 11 | health benefits plan not governed by chapter 89 of |
| 12 | such title in which employees and retirees of the |
| 13 | Board of Governors of the Federal Reserve System |
| 14 | participated before January 4, 1997," after "Janu- |
| 15 | ary 7, 1995,"; |
| 16 | (3) in subsection (b)— |
| 17 | (A) by inserting "(in the case of the Comp- |
| 18 | troller of the Currency and the Office of Thrift |
| 19 | Supervision) or on January 4, 1997 (in the case |
| 20 | of the Board of Governors of the Federal Re- |
| 21 | serve System)" after "on January 7, 1995" |
| 22 | each place it appears; |
| 23 | (B) by inserting ", or in which employees |
| 24 | and retirees of the Board of Governors of the |
| 25 | Federal Reserve System participate," after "Of- |
| 26 | fice of the Comptroller of the Currency or the |

- Office of Thrift Supervision" each place it ap-1 2 pears; and (C) by inserting "(in the case of the Comp-3 4 troller of the Currency and the Office of Thrift 5 Supervision) or after January 5, 1997 (in the case of the Board of Governors of the Federal 6 Reserve System)" after "January 8, 1995" 7 8 each place it appears; 9 (4) in subsection (b)(1)(A), by striking "title;" and inserting "title or a retiree (as defined in sub-10 11 section (e);"; and 12 (5) by adding at the end the following: 13 "(e) Definition.—For purposes of this section, the term 'retiree' shall mean an individual who is receiving 14 15 benefits under the Retirement Plan for Employees of the Federal Reserve System.". 16 SEC. 605. AMENDMENT TO PUBLIC LAW 104-134. 18 Paragraph (3) of section 3110(b) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 19 20 (Public Law 104–134; 110 Stat. 1321–343) is amended 21 to read as follows: 22 "(3) The Corporation shall pay to the Thrift Savings
- 23 Fund such employee and agency contributions as are re-
- 24 quired by sections 8432 and 8351 of title 5, United States
- 25 Code, for those employees who elect to retain their cov-

- 1 erage under the Civil Service Retirement System or the
- 2 Federal Employees' Retirement System pursuant to para-
- 3 graph (1).".
- 4 SEC. 606. MISCELLANEOUS AMENDMENTS RELATING TO
- 5 THE HEALTH BENEFITS PROGRAM FOR FED-
- 6 ERAL EMPLOYEES.
- 7 (a) Definition of a Carrier.—Paragraph (7) of
- 8 section 8901 of title 5, United States Code, is amended
- 9 by striking "organization;" and inserting "organization
- 10 and the Government-wide service benefit plan sponsored
- 11 by an association of organizations described in this para-
- 12 graph;".
- 13 (b) Service Benefit Plan.—Paragraph (1) of sec-
- 14 tion 8903 of title 5, United States Code, is amended by
- 15 striking "plan," and inserting "plan, underwritten by par-
- 16 ticipating affiliates licensed in any number of States,".
- 17 (c) Preemption.—Section 8902(m) of title 5, Unit-
- 18 ed States Code, is amended by striking "(m)(1)" and all
- 19 that follows through the end of paragraph (1) and insert-
- 20 ing the following:
- 21 "(m)(1) The terms of any contract under this chapter
- 22 which relate to the nature, provision, or extent of coverage
- 23 or benefits (including payments with respect to benefits)
- 24 shall supersede and preempt any State or local law, or

- 1 any regulation issued thereunder, which relates to health
- 2 insurance or plans.".
- 3 SEC. 607. PAY FOR CERTAIN POSITIONS FORMERLY CLASSI-
- 4 FIED AT GS-18.
- 5 Notwithstanding any other provision of law, the rate
- 6 of basic pay for positions that were classified at GS-18
- 7 of the General Schedule on the date of the enactment of
- 8 the Federal Employees Pay Comparability Act of 1990
- 9 shall be set and maintained at the rate equal to the high-
- 10 est rate of basic pay for the Senior Executive Service
- 11 under section 5382(b) of title 5, United States Code.
- 12 SEC. 608. REPEAL OF SECTION 1307 OF TITLE 5 OF THE
- 13 UNITED STATES CODE.
- 14 (a) IN GENERAL.—Section 1307 of title 5, United
- 15 States Code, is repealed.
- 16 (b) CLERICAL AMENDMENT.—The table of sections
- 17 for chapter 13 of title 5, United States Code, is amended
- 18 by repealing the item relating to section 1307.
- 19 SEC. 609. EXTENSION OF CERTAIN PROCEDURAL AND AP-
- 20 PEAL RIGHTS TO CERTAIN PERSONNEL OF
- 21 THE FEDERAL BUREAU OF INVESTIGATION.
- 22 (a) In General.—Section 7511(b)(8) of title 5,
- 23 United States Code, is amended by striking "the Federal
- 24 Bureau of Investigation,".

- 1 (b) Effective Date.—The amendment made by
- 2 this section shall apply with respect to any personnel ac-
- 3 tion taking effect after the end of the 45-day period begin-
- 4 ning on the date of the enactment of this Act.

Passed the House of Representatives September 27, 1996.

Attest:

Clerk.