

104TH CONGRESS
1ST SESSION

S. 1107

To extend COBRA continuation coverage to retirees and their dependents,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 2 (legislative day, JULY 10), 1995

Mr. DASCHLE (for himself, Mr. SIMON, Ms. MOSELEY-BRAUN, Mr. LEAHY,
and Mr. PRESSLER) introduced the following bill; which was read twice
and referred to the Committee on Labor and Human Resources

A BILL

To extend COBRA continuation coverage to retirees and
their dependents, 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 “Retiree Continuation
5 Coverage Act of 1995”.

6 **SEC. 2. EXTENSION OF COBRA CONTINUATION COVERAGE.**

7 (a) PUBLIC HEALTH SERVICE ACT.—

8 (1) PERIOD OF COVERAGE.—Section
9 2202(2)(A) of the Public Health Service Act (42

1 U.S.C. 300bb-2(2)(A)) is amended by adding at the
2 end thereof the following new clause:

3 “(v) QUALIFYING EVENT INVOLVING
4 SUBSTANTIAL REDUCTION OR ELIMI-
5 NATION OF A RETIREE GROUP HEALTH
6 PLAN.—In the case of an event described
7 in section 2203(6), the date on which such
8 covered qualified beneficiary becomes enti-
9 tled to benefits under title XVIII of the
10 Social Security Act.”.

11 (2) QUALIFYING EVENT.—Section 2203 of the
12 Public Health Service Act (42 U.S.C. 300bb-3) is
13 amended by adding at the end thereof the following
14 new paragraph:

15 “(6) The substantial reduction or elimination of
16 group health coverage as a result of plan changes or
17 termination with respect to a qualified beneficiary
18 described in section 2208(3)(A).”.

19 (3) NOTICE.—Section 2206 of the Public
20 Health Service Act (42 U.S.C. 300bb-6) is amend-
21 ed—

22 (A) in paragraph (2), by striking “or (4)”
23 and inserting “(4), or (6)”; and

24 (B) in paragraph (4)(A), by striking “or
25 (4)” and inserting “(4), or (6)”.

1 (4) DEFINITION.—Section 2208(3) of the Pub-
2 lic Health Service Act (42 U.S.C. 300bb–8(3)) is
3 amended by adding at the end thereof the following
4 new subparagraph:

5 “(C) SPECIAL RULE FOR RETIREES.—In
6 the case of a qualifying event described in sec-
7 tion 2203(6), the term ‘qualified beneficiary’ in-
8 cludes a covered employee who had retired on
9 or before the date of substantial reduction or
10 elimination of coverage and any other individual
11 who, on the day before such qualifying event, is
12 a beneficiary under the plan—

13 “(i) as the spouse of the covered em-
14 ployee;

15 “(ii) as the dependent child of the
16 covered employee; or

17 “(iii) as the surviving spouse of the
18 covered employee.”.

19 (b) EMPLOYEE RETIREMENT INCOME SECURITY ACT
20 OF 1974.—

21 (1) PERIOD OF COVERAGE.—Section 602(2)(A)
22 of the Employee Retirement Income Security Act of
23 1974 (29 U.S.C. 1162(2)(A)) is amended by adding
24 at the end thereof the following new clause:

1 “(vi) QUALIFYING EVENT INVOLVING
2 SUBSTANTIAL REDUCTION OR ELIMI-
3 NATION OF A GROUP HEALTH PLAN COV-
4 ERING RETIREES, SPOUSES AND DEPEND-
5 ENTS.—In the case of an event described
6 in section 603(7), the date on which such
7 covered qualified beneficiary becomes enti-
8 tled to benefits under title XVIII of the
9 Social Security Act.”.

10 (2) QUALIFYING EVENT.—Section 603 of the
11 Employee Retirement Income Security Act of 1974
12 (29 U.S.C. 1163) is amended by adding at the end
13 thereof the following new paragraph:

14 “(7) The substantial reduction or elimination of
15 group health plan coverage as a result of plan
16 changes or termination with respect to a qualified
17 beneficiary described in section 607(3)(C).”.

18 (3) NOTICE.—Section 606(a) of the Employee
19 Retirement Income Security Act of 1974 (29 U.S.C.
20 1166) is amended—

21 (A) in paragraph (2), by striking “or (6)”
22 and inserting “(6), or (7)”; and

23 (B) in paragraph (4)(A), by striking “or
24 (6)” and inserting “(6), or (7)”.

1 (4) DEFINITION.—Section 607(3)(C) of the
2 Employee Retirement Income Security Act of 1974
3 (29 U.S.C. 1167(2)) is amended by striking
4 “603(6)” and inserting “603(6) or 603(7)”.

5 (c) INTERNAL REVENUE CODE OF 1986.—

6 (1) PERIOD OF COVERAGE.—Section
7 4980B(f)(2)(B)(i) of the Internal Revenue Code of
8 1986 is amended by adding at the end thereof the
9 following new subclause:

10 “(VI) QUALIFYING EVENT IN-
11 VOLVING SUBSTANTIAL REDUCTION
12 OR ELIMINATION OF A RETIREE
13 GROUP HEALTH PLAN.—In the case of
14 an event described in paragraph
15 (3)(G), the date on which such cov-
16 ered qualified beneficiary becomes en-
17 titled to benefits under title XVIII of
18 the Social Security Act.”.

19 (2) QUALIFYING EVENT.—Section 4980B(f)(3)
20 of the Internal Revenue Code of 1986 is amended by
21 adding at the end thereof the following new subpara-
22 graph:

23 “(G) The substantial reduction or elimi-
24 nation of group health coverage as a result of
25 plan changes or termination with respect to a

1 qualified beneficiary described in subsection
2 (g)(1)(D).”.

3 (3) NOTICE.—Section 4980B(f)(6) of the Inter-
4 nal Revenue Code of 1986 is amended—

5 (A) in subparagraph (B), by striking “or
6 (F)” and inserting “(F), or (G)”; and

7 (B) in subparagraph (D)(i), by striking
8 “or (F)” and inserting “(F), or (G)”.

9 (4) DEFINITION.—Section 4980B(g)(1)(D) of
10 the Internal Revenue Code of 1986 is amended by
11 striking “(f)(3)(F)” and inserting “(f)(3)(F) or
12 (f)(3)(G)”.

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

14 This Act shall take effect as if enacted on January
15 1, 1995.

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