

104TH CONGRESS  
2D SESSION

# S. 1651

To amend title 10, United States Code, to permit covered beneficiaries under the military health care system who are also entitled to medicare to enroll in the Federal Employees Health Benefits program.

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IN THE SENATE OF THE UNITED STATES

MARCH 28, 1996

Mr. WARNER introduced the following bill; which was read twice and referred to the Committee on Armed Services

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## A BILL

To amend title 10, United States Code, to permit covered beneficiaries under the military health care system who are also entitled to medicare to enroll in the Federal Employees Health Benefits program.

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. INCLUSION OF MEDICARE ELIGIBLE COVERED**  
4 **BENEFICIARIES IN FEDERAL EMPLOYEES**  
5 **HEALTH BENEFITS PROGRAM.**

6 (a) FEHBP OPTION.—(1) Chapter 55 of title 10,  
7 United States Code, is amended by inserting after section  
8 1079 the following new section:

1 **“§ 1079a. Health care coverage through Federal Em-**  
2 **ployees Health Benefits program**

3 “(a) FEHBP OPTION.—The Secretary of Defense,  
4 after consulting with the other administering Secretaries,  
5 shall enter into an agreement with the Office of Personnel  
6 Management under which covered beneficiaries described  
7 in subsection (b) will be offered an opportunity to enroll  
8 in a health benefits plan offered through the Federal Em-  
9 ployee Health Benefits program under chapter 89 of title  
10 5, in lieu of receiving care under this chapter in treatment  
11 facilities of the uniformed services or through the Civilian  
12 Health and Medical Program of the Uniformed Services  
13 or the TRICARE program. The agreement may provide  
14 for limitations on enrollment of covered beneficiaries in  
15 the Federal Employee Health Benefits program if the Of-  
16 fice of Personnel Management determines the limitations  
17 are necessary to allow for adequate planning for access  
18 for services under Federal Employee Health Benefits pro-  
19 gram.

20 “(b) ELIGIBLE COVERED BENEFICIARIES.—A cov-  
21 ered beneficiary referred to in subsection (a) is a member  
22 or former member of the uniformed services described in  
23 section 1074(b) of this title, and any dependents of the  
24 member described in section 1076(b) of this title, who is  
25 or becomes entitled to hospital insurance benefits under  
26 part A of title XVIII of the Social Security Act (42 U.S.C.

1 1395c et seq.). The covered beneficiary shall not be re-  
2 quired to satisfy any eligibility criteria specified in chapter  
3 89 of title 5 as a condition for enrollment in a health bene-  
4 fits plan offered through the Federal Employee Health  
5 Benefits program pursuant to subsection (a).

6 “(c) CONTRIBUTIONS.—(1) In the case of covered  
7 beneficiaries described in subsection (b) who enroll in a  
8 health benefits plan offered through the Federal Employee  
9 Health Benefits program pursuant to subsection (a), the  
10 administering Secretary concerned shall be responsible for  
11 Government contributions that the Office of Personnel  
12 Management determines are necessary to cover all costs  
13 in excess of beneficiary contributions under paragraph (2).

14 “(2) The contribution required from an enrolled cov-  
15 ered beneficiary shall be equal to the amount that would  
16 be withheld from the pay of a similarly situated Federal  
17 employee who enrolls in a health benefits plan under chap-  
18 ter 89 of title 5.

19 “(d) MANAGEMENT OF PARTICIPATION.—The au-  
20 thority responsible for approving retired or retainer pay  
21 or equivalent pay in the case of a member or former mem-  
22 ber shall manage the participation of the member or  
23 former member, and dependents of the member or former  
24 member, who enroll in a health benefits plan offered  
25 through the Federal Employee Health Benefits program

1 pursuant to subsection (a). The Office of Personnel Man-  
2 agement shall maintain separate risk pools for enrolled  
3 covered beneficiaries until such time as the Director of the  
4 Office of Personnel Management determines that complete  
5 inclusion of enrolled covered beneficiaries under chapter  
6 89 of title 5 will not adversely affect Federal employees  
7 and annuitants enrolled in health benefits plans under  
8 such chapter.

9 “(e) EFFECT OF CANCELLATION.—The cancellation  
10 by a covered beneficiary of coverage under the Federal  
11 Employee Health Benefits program shall be irrevocable for  
12 purposes of this section.

13 “(f) REPORTING REQUIREMENTS.—Not later than  
14 November 1 of each year, the Secretary of Defense and  
15 the Director of the Office of Personnel Management shall  
16 jointly submit a report to Congress describing the provi-  
17 sion of health care services to covered beneficiaries under  
18 this section during the preceding fiscal year. The report  
19 shall address or contain the following:

20 “(1) The number of covered beneficiaries en-  
21 rolled in health benefits plans offered through the  
22 Federal Employee Health Benefits program pursu-  
23 ant to subsection (a), both in terms of total number  
24 and as a percentage of all covered beneficiaries re-

1 ceiving health care through the health care system  
2 of the uniformed services.

3 “(2) The out-of-pocket cost to enrollees under  
4 such health benefits plans.

5 “(3) The cost to the Government (including the  
6 Department of Defense, the Department of Trans-  
7 portation, and the Department of Health and  
8 Human Services) of providing care under such  
9 health benefits plans.

10 “(4) A comparison of the costs determined  
11 under paragraphs (2) and (3) and the costs that  
12 would have otherwise been incurred by the Govern-  
13 ment and enrollees under alternative health care op-  
14 tions available to the administering Secretaries.

15 “(5) The effect of this section on the cost, ac-  
16 cess, and utilization rates of other health care op-  
17 tions under the health care system of the uniformed  
18 services.

19 “(g) TIME FOR OPTION.—The Secretary of Defense  
20 shall begin to offer the health benefits option under sub-  
21 section (a) not later than January 1, 1997.”.

22 (2) The table of sections at the beginning of such  
23 chapter is amended by inserting after the item relating  
24 to section 1079 the following new item:

“1079a. Health care coverage through Federal Employees Health Benefits pro-  
gram.”.

1 (b) CONFORMING AMENDMENTS.—Chapter 89 of  
2 title 5, United States Code, is amended—

3 (1) in section 8905—

4 (A) by redesignating subsections (d)  
5 through (f) as subsections (e) through (g), re-  
6 spectively; and

7 (B) by inserting after subsection (c) the  
8 following new subsection:

9 “(d) An individual whom the Secretary of Defense de-  
10 termines is an eligible covered beneficiary under section  
11 1079a(b) of title 10 may enroll in a health benefits plan  
12 under this chapter in accordance with the agreement  
13 under section 1079a(a) of title 10 between the Secretary  
14 and the Office and applicable regulations under this chap-  
15 ter.”;

16 (2) in section 8906(b)—

17 (A) in paragraph (1), by striking “para-  
18 graphs (2) and (3)” and inserting in lieu there-  
19 of “paragraphs (2), (3), and (4)”;

20 (B) by adding at the end the following new  
21 paragraph:

22 “(4) In the case of individuals who enroll in a health  
23 plan in accordance with section 8905(d) of this title, the  
24 Government contribution shall be determined under sec-  
25 tion 1079a(c) of title 10.”; and

1 (3) in section 8906(g)—

2 (A) in paragraph (1), by striking “para-  
3 graph (2)” and inserting in lieu thereof “para-  
4 graphs (2) and (3)”; and

5 (B) by adding at the end the following new  
6 paragraph:

7 “(3) The Government contribution described in sub-  
8 section (b)(4) for beneficiaries who enroll in accordance  
9 with section 8905(d) of this title shall be paid as provided  
10 in section 1079a(c) of title 10.”.

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