

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5297

To provide for health care premium assistance; and to amend the Food Stamp Act of 1977 to exclude unemployment compensation for purposes of determining eligibility and benefits under such Act.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2002

Mrs. MINK of Hawaii introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, Education and the Workforce, and Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide for health care premium assistance; and to amend the Food Stamp Act of 1977 to exclude unemployment compensation for purposes of determining eligibility and benefits under such Act.

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 Continu-  
5 ation Coverage Act of 2002”.

1 **SEC. 2. PREMIUM ASSISTANCE FOR COBRA CONTINUATION**  
2 **COVERAGE.**

3 (a) ESTABLISHMENT.—

4 (1) IN GENERAL.—Not later than 60 days after  
5 the date of enactment of this Act, the Secretary of  
6 the Treasury, in consultation with the Secretary of  
7 Labor, shall establish a program under which pre-  
8 mium assistance for COBRA continuation coverage  
9 shall be provided for qualified individuals under this  
10 section.

11 (2) QUALIFIED INDIVIDUALS.—For purposes of  
12 this section, a qualified individual is an individual  
13 who—

14 (A) establishes that the individual—

15 (i) on or after July 1, 2001, became  
16 entitled to elect COBRA continuation cov-  
17 erage; and

18 (ii) has elected such coverage; and

19 (B) enrolls in the premium assistance pro-  
20 gram under this section by not later than the  
21 end of such 1-year period.

22 (b) LIMITATION OF PERIOD OF PREMIUM ASSIST-  
23 ANCE.—Premium assistance provided under this sub-  
24 section shall end with respect to an individual on the ear-  
25 lier of—

1           (1) the date the individual is no longer covered  
2 under COBRA continuation coverage; or

3           (2) 12 months after the date the individual is  
4 first enrolled in the premium assistance program es-  
5 tablished under this section.

6           (c) PAYMENT, AND CREDITING OF ASSISTANCE.—

7           (1) AMOUNT OF ASSISTANCE.—Premium assist-  
8 ance provided under this section shall be equal to  
9 100 percent of the amount of the premium required  
10 for the COBRA continuation coverage.

11           (2) PROVISION OF ASSISTANCE.—Premium as-  
12 sistance provided under this section shall be pro-  
13 vided through the establishment of direct payment  
14 arrangements with the administrator of the group  
15 health plan (or other entity) that provides or admin-  
16 isters the COBRA continuation coverage. It shall be  
17 a fiduciary duty of such administrator (or other en-  
18 tity) to enter into such arrangements under this sec-  
19 tion.

20           (3) PREMIUMS PAYABLE BY QUALIFIED INDI-  
21 VIDUAL REDUCED BY AMOUNT OF ASSISTANCE.—

22 Premium assistance provided under this section shall  
23 be credited by such administrator (or other entity)  
24 against the premium otherwise owed by the indi-  
25 vidual involved for such coverage.

1 (d) CHANGE IN COBRA NOTICE.—

2 (1) GENERAL NOTICE.—

3 (A) IN GENERAL.—In the case of notices  
4 provided under section 4980B(f)(6) of the In-  
5 ternal Revenue Code of 1986 with respect to in-  
6 dividuals who, on or after July 1, 2001, become  
7 entitled to elect COBRA continuation coverage,  
8 such notices shall include an additional notifica-  
9 tion to the recipient of the availability of pre-  
10 mium assistance for such coverage under this  
11 section.

12 (B) ALTERNATIVE NOTICE.—In the case of  
13 COBRA continuation coverage to which the no-  
14 tice provision under section 4980B(f)(6) of the  
15 Internal Revenue Code of 1986 does not apply,  
16 the Secretary of the Treasury shall, in coordi-  
17 nation with administrators of the group health  
18 plans (or other entities) that provide or admin-  
19 ister the COBRA continuation coverage in-  
20 volved, assure provision of such notice.

21 (C) FORM.—The requirement of the addi-  
22 tional notification under this paragraph may be  
23 met by amendment of existing notice forms or  
24 by inclusion of a separate document with the  
25 notice otherwise required.

1           (2) SPECIFIC REQUIREMENTS.—Each additional  
2 notification under paragraph (1) shall include—

3           (A) the forms necessary for establishing  
4 eligibility under subsection (a)(2)(A) and enroll-  
5 ment under subsection (a)(2)(B) in connection  
6 with the coverage with respect to each covered  
7 employee or other qualified beneficiary;

8           (B) the name, address, and telephone num-  
9 ber necessary to contact the plan administrator  
10 and any other person maintaining relevant in-  
11 formation in connection with the premium as-  
12 sistance; and

13           (C) the following statement displayed in a  
14 prominent manner:

15           “You may be eligible to receive assistance with pay-  
16 ment of 100 percent of your COBRA continuation cov-  
17 erage premiums for a duration of not to exceed 12  
18 months.”.

19           (3) NOTICE RELATING TO RETROACTIVE COV-  
20 ERAGE.—In the case of such notices previously  
21 transmitted before the date of the enactment of this  
22 Act in the case of an individual described in para-  
23 graph (1) who has elected (or is still eligible to elect)  
24 COBRA continuation coverage as of the date of the  
25 enactment of this Act, the administrator of the

1 group health plan (or other entity) involved or the  
2 Secretary of the Treasury (in the case described in  
3 the paragraph (1)(B)) shall provide (within 60 days  
4 after the date of the enactment of this Act) for the  
5 additional notification required to be provided under  
6 paragraph (1).

7 (4) MODEL NOTICES.—The Secretary shall pre-  
8 scribe models for the additional notification required  
9 under this subsection.

10 (f) OBLIGATION OF FUNDS.—This section constitutes  
11 budget authority in advance of appropriations Acts and  
12 represents the obligation of the Federal Government to  
13 provide for the payment of premium assistance under this  
14 section.

15 (g) PROMPT ISSUANCE OF GUIDANCE.—The Sec-  
16 retary of the Treasury, in consultation with the Secretary  
17 of Labor, shall issue guidance under this section not later  
18 than 30 days after the date of the enactment of this Act.

19 (h) DEFINITIONS.—In this section:

20 (1) ADMINISTRATOR.—The term “adminis-  
21 trator” has the meaning given such term in section  
22 3(16) of the Employee Retirement Income Security  
23 Act of 1974.

24 (2) COBRA CONTINUATION COVERAGE.—The  
25 term “COBRA continuation coverage” means con-

1 continuation coverage provided pursuant to title XXII  
2 of the Public Health Service Act, section 4980B of  
3 the Internal Revenue Code of 1986 (other than sub-  
4 section (f)(1) of such section insofar as it relates to  
5 pediatric vaccines), part 6 of subtitle B of title I of  
6 the Employee Retirement Income Security Act of  
7 1974 (other than under section 609), section 8905a  
8 of title 5, United States Code, or under a State pro-  
9 gram that provides continuation coverage com-  
10 parable to such continuation coverage.

11 (3) GROUP HEALTH PLAN.—The term “group  
12 health plan” has the meaning given such term in  
13 section 9832(a) of the Internal Revenue Code of  
14 1986.

15 (4) STATE.—The term “State” includes the  
16 District of Columbia, the Commonwealth of Puerto  
17 Rico, the Virgin Islands, Guam, American Samoa,  
18 and the Commonwealth of the Northern Mariana Is-  
19 lands.

20 **SEC. 3. TEMPORARY MEDICAID COVERAGE FOR CERTAIN**  
21 **UNINSURED EMPLOYEES.**

22 (a) IN GENERAL.—Notwithstanding any other provi-  
23 sion of law, with respect to any month, as a condition for  
24 the receipt of Federal financial participation under title  
25 XIX of the Social Security Act, a State shall provide,

1 under its medicaid program under such title, medical as-  
2 sistance in the case of an individual—

3 (1) who has become totally or partially sepa-  
4 rated from employment on or after July 1, 2001;

5 (2) who is not eligible for COBRA continuation  
6 coverage; and

7 (3) who is uninsured;

8 and to the individual's spouse and dependents (as defined  
9 for purposes of the Internal Revenue Code of 1986) if they  
10 also are uninsured.

11 (b) LIMITATION OF PERIOD OF COVERAGE.—Assist-  
12 ance under this section shall end with respect to an indi-  
13 vidual on the earlier of—

14 (1) the date the individual is no longer unin-  
15 sured; or

16 (2) 12 months after the date the individual is  
17 first determined to be eligible for medical assistance  
18 under this section.

19 (c) SPECIAL RULES.—In the case of medical assist-  
20 ance provided under this section—

21 (1) the Federal medical assistance percentage  
22 under section 1905(b) of the Social Security Act  
23 shall be the enhanced FMAP (as defined in section  
24 2105(b) of such Act);



1           (2) a State may elect to apply alternative in-  
2           come, asset, and resource limitations and the provi-  
3           sions of section 1916(g) of such Act, except that in  
4           no case shall a State cover individuals with higher  
5           family income without covering individuals with a  
6           lower family income;

7           (3) such medical assistance shall not be pro-  
8           vided for periods before the date the individual be-  
9           comes uninsured;

10          (4) individuals eligible for medical assistance  
11          under this section shall be deemed to be described  
12          in the list of individuals described in the matter pre-  
13          ceding paragraph (1) of section 1905(a) of such Act;

14          (5) a State may elect to provide such medical  
15          assistance without regard to any limitation under  
16          sections 401(a), 402(b), 403, and 421 of the Per-  
17          sonal Responsibility and Work Opportunity Rec-  
18          onciliation Act of 1996 (8 U.S.C. 1611(a), 1612(b),  
19          1613, and 1631) and no debt shall accrue under an  
20          affidavit of support against any sponsor of an indi-  
21          vidual who is an alien who is provided such assist-  
22          ance, and the cost of such assistance shall not be  
23          considered as an unreimbursed cost; and

24          (6) the Secretary of Health and Human Serv-  
25          ices shall not count, for purposes of section 1108(f)

1 of the Social Security Act, such amount of payments  
2 under this section as bears a reasonable relationship  
3 to the average national proportion of payments made  
4 under this section for the 50 States and the District  
5 of Columbia to the payments otherwise made under  
6 title XIX for such States and District.

7 (d) DEFINITIONS.—For purposes of this subtitle:

8 (1) UNINSURED.—The term “uninsured”  
9 means, with respect to an individual, that the indi-  
10 vidual is not covered under—

11 (A) a group health plan (as defined in sec-  
12 tion 2791(a) of the Public Health Service Act),

13 (B) health insurance coverage (as defined  
14 in section 2791(b)(1) of the Public Health  
15 Service Act), or

16 (C) a program under title XVIII, XIX, or  
17 XXI of the Social Security Act, other than  
18 under such title XIX pursuant to this section.

19 For purposes of this paragraph, such coverage under  
20 subparagraph (A) or (B) shall not include coverage  
21 consisting solely of coverage of excepted benefits (as  
22 defined in section 2791(c) of the Public Health Serv-  
23 ice Act).

24 (2) COBRA CONTINUATION COVERAGE.—The  
25 term “COBRA continuation coverage” means cov-

1 erage under a group health plan provided by an em-  
2 ployer pursuant to title XXII of the Public Health  
3 Service Act, section 4980B of the Internal Revenue  
4 Code of 1986, part 6 of subtitle B of title I of the  
5 Employee Retirement Income Security Act of 1974,  
6 or section 8905a of title 5, United States Code.

7 (3) STATE.—The term “State” has the mean-  
8 ing given such term for purposes of title XIX of the  
9 Social Security Act.

10 (e) EFFECTIVE DATE.—This section shall take effect  
11 upon its enactment, whether or not regulations imple-  
12 menting this section are issued.

13 **SEC. 4. TEMPORARY COVERAGE FOR UNSUBSIDIZED POR-**  
14 **TION OF COBRA CONTINUATION PREMIUMS.**

15 (a) IN GENERAL.—Notwithstanding any other provi-  
16 sion of law, with respect to COBRA continuation coverage  
17 provided for any month, as a condition of receipt of Fed-  
18 eral financial participation under title XIX of the Social  
19 Security Act, a State shall provide payment of the unsub-  
20 sidized portion of the premium for COBRA continuation  
21 coverage in the case of any individual—

22 (1) who has become totally or partially sepa-  
23 rated from employment on or after July 1, 2001;  
24 and

1           (2) who is eligible for, and has elected coverage  
2           under, COBRA continuation coverage;  
3           and to the individual's spouse and dependents (as defined  
4           for purposes of the Internal Revenue Code of 1986) if they  
5           also are eligible for such coverage and are otherwise unin-  
6           sured.

7           (b) LIMITATION OF PERIOD OF COVERAGE.—Pre-  
8           mium assistance under this section shall end with respect  
9           to an individual on the earlier of—

10           (1) the date the individual is no longer covered  
11           under COBRA continuation coverage; or

12           (2) 12 months after the date the individual is  
13           first determined to be eligible for premium assist-  
14           ance under this section.

15           (c) FINANCIAL PAYMENT TO STATES.—A State pro-  
16           viding premium assistance under this section shall be enti-  
17           tled to payment under section 1903(a) of the Social Secu-  
18           rity Act with respect to such assistance (and administra-  
19           tive expenses relating to such assistance) in the same man-  
20           ner as such State is entitled to payment with respect to  
21           medical assistance (and such administrative expenses)  
22           under such section, except that, for purposes of this sub-  
23           section, any reference to the Federal medical assistance  
24           percentage shall be deemed a reference to the enhanced  
25           FMAP (as defined in section 2105(b) of such Act). The

1 provisions of subsections (c)(5) and (c)(6) of section 3  
2 shall apply with respect to this section in the same manner  
3 as it applies under such section.

4 (d) UNSUBSIDIZED PORTION OF PREMIUM FOR  
5 COBRA CONTINUATION COVERAGE.—For purposes of  
6 this section, the term ‘unsubsidized portion of premium  
7 for COBRA continuation coverage’ means that portion of  
8 the premium for COBRA continuation coverage for which  
9 there is no financial assistance available under section 2.

10 (e) EFFECTIVE DATE.—This section shall take effect  
11 upon its enactment, whether or not regulations imple-  
12 menting this section are issued.

13 **SEC. 5. AMENDMENT TO THE FOOD STAMP ACT OF 1977.**

14 (a) AMENDMENT.—Section 5(d) of the Food Stamp  
15 Act of 1977 (7 U.S.C. 2014(d)) is amended—

16 (1) by striking “and (15)” and inserting  
17 “(15)”, and

18 (2) by inserting before the period at the end the  
19 following: “, and (16) compensation under the  
20 State’s unemployment compensation law (including  
21 amounts payable pursuant to an agreement under a  
22 Federal unemployment compensation law)”.

23 (b) APPLICATION OF AMENDMENT.—The amendment  
24 made by subsection (a) shall not apply with respect to cer-

1 tification periods that begin before the date of the enact-  
2 ment of this Act.

○