

109TH CONGRESS
2D SESSION

H. R. 5740

To remove the 18 or 36 month limitation on the period of COBRA continuation coverage.

IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 2006

Ms. PRYCE of Ohio (for herself, Mr. KIRK, Mrs. JOHNSON of Connecticut, Mr. McCAUL of Texas, Mr. COLE of Oklahoma, Mr. DUNCAN, Mrs. DRAKE, and Mr. MARCHANT) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committees on Energy and Commerce, Ways and Means, and Government Reform, 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

A BILL

To remove the 18 or 36 month limitation on the period of COBRA continuation coverage.

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. REMOVAL OF 18 OR 36 MONTH LIMITATION ON**

4 **COBRA CONTINUATION COVERAGE.**

5 (a) UNDER ERISA.—

6 (1) IN GENERAL.—Subparagraph (A) of section

7 602(2) of the Employee Retirement Income Security

1 Act of 1974 (29 U.S.C. 1162(2)) is amended to read
2 as follows:

3 “(A) NO SPECIFIED MAXIMUM REQUIRED
4 PERIOD.—Except as otherwise provided, there
5 is no specified deadline for the continuation
6 coverage provided under this part.”

7 (2) INCREASED PREMIUM PERMITTED FOR AD-
8 DITIONAL COVERAGE.—The last sentence of section
9 602(3) of such Act is amended to read as follows:
10 “In the case of an individual who was described in
11 the last sentence of paragraph (2)(A), as in effect
12 before the amendment made by section 2(a)(1) of
13 the Health Insurance For Life Act of 2006, for any
14 month after the 18th month of continuation cov-
15 erage described in clause (i) or (ii) of such para-
16 graph and in the case of an individual whose con-
17 tinuation coverage is only required under this part
18 due to such amendment, any reference in subpara-
19 graph (A) of this paragraph to ‘102 percent’ is
20 deemed a reference to such percentage as the Sec-
21 retary of Health and Human Services determines
22 (from time to time and after consultation with the
23 Secretary of Labor and the Secretary of the Treas-
24 ury) that if were applied during the period of the
25 first 18 months of continuation coverage under this

1 part would have resulted in a premium equal to the
2 average monthly actuarial cost of such continuation
3 coverage.”.

4 (b) UNDER IRC.—

5 (1) IN GENERAL.—Clause (i) of section
6 4980B(f)(2)(B) of the Internal Revenue Code of
7 1986 (relating to maximum required period of con-
8 tinuation coverage) is amended to read as follows:

9 “(i) NO SPECIFIED MAXIMUM RE-
10 QUIRED PERIOD.—Except as otherwise
11 provided, there is no specified deadline for
12 the continuation coverage provided under
13 this section.”.

14 (2) INCREASED PREMIUM PERMITTED FOR AD-
15 DITIONAL COVERAGE.—The last sentence of section
16 4980B(f)(2)(C) of such Code is amended to read as
17 follows: “In the case of an individual who was de-
18 scribed in the last sentence of subparagraph (B)(i),
19 as in effect before the amendment made by section
20 2(b)(1) of the Health Insurance For Life Act of
21 2006, for any month after the 18th month of con-
22 tinuation coverage described in subclause (I) or (II)
23 of such subparagraph and in the case of an indi-
24 vidual whose continuation coverage is only required
25 under this section due to such amendment, any ref-

1 erence in clause (i) of this subparagraph to ‘102
2 percent’ is deemed a reference to such percentage as
3 the Secretary of Health and Human Services deter-
4 mines from time to time under the last sentence of
5 section 602(e) of the Employee Retirement Income
6 Security Act of 1974.”.

7 (c) UNDER PHSA.—

8 (1) IN GENERAL.—Subparagraph (A) of section
9 2202(2) of the Public Health Service Act (42 U.S.C.
10 300bb–2(2)) is amended to read as follows:

11 “(A) NO SPECIFIED MAXIMUM REQUIRED
12 PERIOD.—Except as otherwise provided, there
13 is no specified deadline for the continuation
14 coverage provided under this part.”.

15 (2) INCREASED PREMIUM PERMITTED FOR AD-
16 DITIONAL COVERAGE.—The last sentence of section
17 2202(3) of such Act is amended to read as follows:

18 “In the case of an individual who was described in
19 the last sentence of paragraph (2)(A), as in effect
20 before the amendment made by section 2(c)(1) of
21 the Health Insurance For Life Act of 2006, for any
22 month after the 18th month of continuation cov-
23 erage described in clause (i) or (ii) of such para-
24 graph and in the case of an individual whose con-
25 tinuation coverage is only required under this part

1 due to such amendment, any reference in subpara-
2 graph (A) of this paragraph to ‘102 percent’ is
3 deemed a reference to such percentage as the Sec-
4 retary of Health and Human Services determines
5 from time to time under the last sentence of section
6 602(e) of the Employee Retirement Income Security
7 Act of 1974.”.

8 (d) FEHBP.—

9 (1) IN GENERAL.—Subsection (e) of section
10 8905a of title 5, United States Code, is amended to
11 read as follows:

12 “(e) Continuation coverage under this section shall
13 not extend beyond the period of continuation required
14 under section 602(2) of the Employee Retirement Income
15 Security Act of 1974 for a group health plan covered
16 under such section.”.

17 (2) INCREASED PREMIUM PERMITTED FOR AD-
18 DITIONAL COVERAGE.—Section 8905a(d) of such
19 title is amended—

20 (A) in paragraph (1)(A), by striking “and
21 (5)” and inserting “, (5), and (6)”;

22 (B) in paragraph (4)(A), in the matter be-
23 fore clause (i), by inserting “for periods of con-
24 tinuation coverage not resulting from the
25 amendment made by section 2(d)(1) of the

1 Health Insurance For Life Act of 2006” after
2 “National Nuclear Security Administration”;

3 (C) in paragraph (5)(A), in the matter be-
4 fore clause (i), by inserting “for periods of con-
5 tinuation coverage not resulting from the
6 amendment made by section 2(d)(1) of the
7 Health Insurance For Life Act of 2006” after
8 “Atomic Energy Defense Act”; and

9 (D) by adding at the end the following new
10 paragraph:

11 “(6) In the case of any period of continuation cov-
12 erage under this section resulting from the amendment
13 made by section 2(d)(1) of the Health Insurance For Life
14 Act of 2006, the amount required to be paid under this
15 subsection shall be equal to a percentage (equal to such
16 percentage as the Secretary of Health and Human Serv-
17 ices determines from time to time under the last sentence
18 of section 602(e) of the Employee Retirement Income Se-
19 curity Act of 1974) applied to the amount described in
20 paragraph (1)(A)(i).”.

21 (e) EFFECTIVE DATE.—

22 (1) IN GENERAL.—Subject to paragraph (2),
23 the amendments made by subsections (a) through
24 (c) shall apply with respect to group health plans,
25 and health insurance coverage offered in connection

1 with group health plans, for plan years beginning
2 after the date of the enactment of this Act and the
3 amendments made by subsection (d) shall apply to
4 contract years beginning after the date of the enact-
5 ment of this Act.

6 (2) TREATMENT OF COLLECTIVE BARGAINING
7 AGREEMENTS.—In the case of a group health plan
8 maintained pursuant to 1 or more collective bar-
9 gaining agreements between employee representa-
10 tives and 1 or more employers ratified before the
11 date of enactment of this Act, the amendments made
12 by subsections (a) through (c) shall not apply to
13 plan years beginning before the later of—

14 (A) the date on which the last collective
15 bargaining agreements relating to the plan ter-
16 minates (determined without regard to any ex-
17 tension thereof agreed to after the date of en-
18 actment of this Act); or

19 (B) 2 years after the date of the enact-
20 ment of this Act.

21 For purposes of subparagraph (A), any plan amend-
22 ment made pursuant to a collective bargaining
23 agreement relating to the plan which amends the
24 plan solely to conform to any requirement added by

1 this section shall not be treated as a termination of
2 such collective bargaining agreement.

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