

111TH CONGRESS  
1ST SESSION

# H. R. 3824

To allow States to establish interstate compacts for the purpose of expanding health insurance options.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 15, 2009

Mr. DEAL of Georgia (for himself, Mr. BURGESS, Mr. PITTS, Mr. BLUNT, Mr. BARTON of Texas, and Mr. BUYER) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To allow States to establish interstate compacts for the purpose of expanding health insurance options.

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 “Expanded Health In-  
5 surance Options Act of 2009”.

6 **SEC. 2. EXPANDING HEALTH INSURANCE OPTIONS.**

7 (a) MORE AFFORDABLE HEALTH COVERAGE  
8 THROUGH STATE COMPACTS.—

9 (1) AUTHORIZING COMPACTS.—States may  
10 enter into arrangements with other States for the

1 purposes of forming one or more interstate com-  
2 pacts—

3 (A) that meet the requirements of this sub-  
4 section; and

5 (B) under which health insurance issuers  
6 would offer health insurance coverage meeting  
7 the requirements of this subsection under a uni-  
8 fied regulatory structure to residents of the  
9 States that are parties to the compact.

10 (2) REGULATORY STRUCTURE.—The regulatory  
11 structure under such a compact may include regula-  
12 tions relating to the issuance, renewal, rating, man-  
13 dated benefits, and similar items with respect to  
14 health insurance coverage.

15 (3) REGULATION; GRIEVANCES.—Health insur-  
16 ance coverage offered in a State that is a party to  
17 such a compact shall be regulated by the State in-  
18 volved in the manner specified in the compact and  
19 any grievances with respect to such coverage shall be  
20 handled in the State in which the covered individual  
21 resides.

22 (4) CONTINUATION OF ANTI-FRAUD ACTIVI-  
23 TIES.—Nothing in this section shall be construed to  
24 prohibit a State from engaging in anti-fraud activi-

1 ties for the purposes of enforcing regulations or  
2 other provisions within such a compact.

3 (5) INDEPENDENT EXTERNAL APPEALS.—Each  
4 interstate compact shall ensure that individuals who  
5 are insured in a State that participates in an inter-  
6 state compact are able to access an independent ex-  
7 ternal appeals process to review decisions made by  
8 health insurance issuers relating to the health insur-  
9 ance coverage of such individual.

10 (b) RESPONSIBILITY OF PRIMARY STATE.—In the  
11 case of an activity described in paragraph (1)(A) that oc-  
12 curs in a State that is participating in an interstate com-  
13 pact, the primary State, or the State in which the insur-  
14 ance issuer is licensed, is responsible for the enforcement  
15 of applicable laws, regulations, agreements, and orders  
16 governing the health insurance issuers and health insur-  
17 ance coverage involved, including laws relating to the fol-  
18 lowing:

19 (1) The offer, sale, rating, renewal, and  
20 issuance of individual health insurance coverage.

21 (2) The coverage of health care and insurance  
22 related services.

23 (3) Management, operations, and investment  
24 activities of a health insurance issuer.

1           (4) Liability loss control and claims administra-  
2           tion.

3           (c) RESPONSIBILITY OF SECONDARY STATE.—The  
4 secondary State that is participating in an interstate com-  
5 pact, or the State in which the individual resides, may re-  
6 quire a health insurance issuer—

7           (1) to pay premiums and taxes;

8           (2) to submit to examination of financial condi-  
9           tion;

10           (3) to comply with State laws regarding fraud  
11           and abuse; and

12           (4) to comply with laws regarding unfair claims  
13           practices.

14           (d) DISCLOSURE.—The health insurance issuer must  
15 provide a clear disclosure to the individual that the issuer  
16 is in a secondary State and all laws and regulations of  
17 the secondary State are applicable.

18           (e) EFFECTIVE DATE.—This subsection shall apply  
19 beginning 1 year after the date of the enactment of this  
20 Act.

21           (f) DEFINITIONS.—In this section:

22           (1) The terms “health insurance coverage” and  
23           “health insurance issuer” have the meanings given  
24           such terms in section 2791 of the Public Health  
25           Service Act.

1           (2) The term “State” means each of the 50  
2           States and the District of Columbia.

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