

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

# H. R. 6403

To amend the Public Health Service Act to provide for Federal funding of a Bridges of Hope for Transitional Health Insurance Program to provide, through State inter-governmental public health authorities, displaced employees with assistance for health insurance premiums for themselves and their families.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 6, 2006

Mr. SCHWARZ of Michigan introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To amend the Public Health Service Act to provide for Federal funding of a Bridges of Hope for Transitional Health Insurance Program to provide, through State inter-governmental public health authorities, displaced employees with assistance for health insurance premiums for themselves and their families.

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 “Bridges of Hope for  
5       Transitional Health Insurance Act of 2006”.

1 **SEC. 2. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—Congress finds the following:

3 (1) The national policy of advancing global free  
4 trade through treaties such as NAFTA, CAFTA and  
5 supporting the accession of certain countries to the  
6 World Trade Organization have opened the markets  
7 of the United States to a range of products that  
8 have facilitated the export of American jobs and re-  
9 sulted in the enormous loss of employment in the  
10 United States for our citizens.

11 (2) This transformation has not been accom-  
12 panied by a Federal commitment to reorient, retrain,  
13 relocate, or re-employ individuals in selective State  
14 economies dependent upon a previously robust indus-  
15 trial employment opportunity to minimal immediate  
16 new economic opportunities through well-funded  
17 temporary assistance and economic support program  
18 capable of breaching the loss of jobs and economic  
19 opportunities thereby leaving individuals in the de-  
20 pressed States without the opportunity to maintain  
21 a decent quality of life and health security by threat-  
22 ening the loss of health insurance coverage.

23 (3) The responsibility for the transformation of  
24 State economies where economic dislocation occurs is  
25 the primary responsibility of the governmental unit  
26 whose policies caused such a change in the under-

1       lying economic base and have such profound impacts  
2       that the State alone cannot be reasonably expected  
3       to mobilize financial resources to bring about pros-  
4       perity when the State's own tax resources are declin-  
5       ing.

6               (4) The impact has been to so erode the under-  
7       lying structural base of a State that results in a de-  
8       cline in funding for existing health safety and wel-  
9       fare programs that may be supported by the State  
10      government. Acting alone the State government can-  
11      not remedy the devastating impact on individuals  
12      who must alter the quality of their lifestyle so radi-  
13      cally that health choices become beyond the reach of  
14      average families who have no where else to go.

15              (5) In the State of Michigan alone the average  
16      unemployment rate has been 2.5 times the national  
17      average for over 56 months and the State is pro-  
18      jected to lose more than 63,000 more factory jobs by  
19      2007 with no hope for rapid implementation to re-  
20      employ such individuals whose only real wealth is  
21      their homestead that cannot be relocated and whose  
22      skill levels. But these individuals cannot find em-  
23      ployment to replace the wages they lost and they are  
24      risking foregoing payment of health insurance in  
25      order to preserve their homestead.



1 **“TITLE XXIX—BRIDGES OF HOPE**  
2 **FOR TRANSITIONAL HEALTH**  
3 **INSURANCE PROGRAM**

4 **“SEC. 2901. ESTABLISHMENT OF PROGRAM.**

5 “(a) IN GENERAL.—The Secretary shall establish a  
6 program under this title to provide funds to eligible public  
7 health authorities (as defined in section 2903(1)) for the  
8 provision of temporary assistance to individual workers  
9 who have suffered from permanent changes in a major  
10 segment of industrial production employment in a sector  
11 of the economy in an area through irreversible structural  
12 changes.

13 “(b) APPLICATION BY ELIGIBLE PUBLIC HEALTH  
14 AUTHORITIES.—

15 “(1) IN GENERAL.—To be eligible to receive  
16 funds under this title, an eligible public health au-  
17 thority shall submit an application with the Sec-  
18 retary in such form and manner as the Secretary  
19 specifies.

20 “(2) PROMPT CONSIDERATION OF APPLICA-  
21 TION.—Such an application shall be treated as com-  
22 plete and accurate unless the Secretary, within 60  
23 days of the date of the application’s submission, pro-  
24 vides notice to the submitting official that—

1           “(A) states that the application is either  
2 incomplete or inaccurate (or both); and

3           “(B) provides specific reasons for the ap-  
4 plication being incomplete or inaccurate.

5           “(c) APPROVAL OF APPLICATIONS.—

6           “(1) REQUIREMENTS.—The Secretary shall not  
7 approve the application under subsection (b) of an  
8 eligible public health authority serving an area with-  
9 in a State unless the Secretary determines that the  
10 following requirements are met:

11           “(A) ECONOMIC DISLOCATION.—Such ap-  
12 plication includes (or is accompanied by) a  
13 statement of specific facts that demonstrate  
14 that there is an economic dislocation in such  
15 area that—

16           “(i) results in the creation of an em-  
17 ployment shortage for individuals employed  
18 in a particular segment of the industrial  
19 economy; and

20           “(ii) is attributable in part to national  
21 treaties, statutes, policies and objectives.

22           “(B) HIGH UNEMPLOYMENT.— The unem-  
23 ployment rate in such area, and in such State,  
24 is 25 percent higher than the national average

1 unemployment rate for six or more calendar  
2 quarters.

3 “(C) HIGH TAX BURDEN.—The tax burden  
4 (as measured by the percentage of per capita  
5 income estimated to be spent on State and local  
6 taxes) for the State is above the national aver-  
7 age of such tax burden for all the States.

8 “(2) PRIORITY.—The Secretary shall give pri-  
9 ority in approving an application of an eligible public  
10 health authority that is serving a State that has a  
11 population of at least 9,000,000 and an unemploy-  
12 ment rate that is at least 7 percent (or, if less, at  
13 least 2.5 percentage points above the national unem-  
14 ployment rate).

15 “(d) USE OF FUNDS.—

16 “(1) IN GENERAL.—Funds provided under this  
17 section to an eligible public health authority shall be  
18 used by the authority to provide a program (in this  
19 title referred to as a ‘Bridges program’) that—

20 “(A) provides assistance in paying for  
21 health care premiums for employees and former  
22 employees (and their family members) in the  
23 area served by the authority; and

24 “(B) meets the applicable requirements of  
25 subsection (e).

1           “(2) AUTHORITIES.—An eligible public health  
2 authority provided funds under this title is author-  
3 ized to use such funds to carry out a Bridges pro-  
4 gram and, in connection with such a program, for  
5 any of the following purposes:

6           “(A) To make public service announce-  
7 ments about the availability of the funding  
8 under this title.

9           “(B) To develop an intake system for ap-  
10 plicants under the program and retain contrac-  
11 tors to assist in the application process.

12           “(C) To verify income, employment home  
13 ownership documents, credit reports, and tax  
14 returns for the validity of current financial cir-  
15 cumstances.

16           “(D) To establish various programs and  
17 co-pays for individuals to participate in the pro-  
18 gram until gainful employment makes the as-  
19 sistance unnecessary.

20           “(E) To negotiate with various health in-  
21 surance and group health plans to provide  
22 health benefits coverage (including coverage  
23 under a COBRA continuation provision, as de-  
24 fined in section 2791(d)(4)) under the program

1 in a manner that is affordable and coverage a  
2 broad type of services.

3 “(F) To monitor coverage provided under  
4 the program.

5 “(3) LIMITATION ON USE OF FUNDS FOR AD-  
6 MINISTRATIVE PURPOSES.—An eligible public health  
7 authority may use not more than 5 percent of the  
8 funds provided to it under this title for administra-  
9 tive purposes.

10 “(e) PROGRAM REQUIREMENTS.—A Bridges program  
11 of an eligible public health authority shall meet the fol-  
12 lowing requirements:

13 “(1) SLIDING SCALE ASSISTANCE.—

14 “(A) IN GENERAL.—The program shall  
15 provide assistance with premium payments on a  
16 sliding scale that takes into account—

17 “(i) the financial condition (and pre-  
18 vious financial condition) of the individual  
19 involved;

20 “(ii) the wage structure and com-  
21 pensation scale for similar individuals with-  
22 in the area served by the program; and

23 “(iii) the amount of disposable income  
24 remaining for that individual based on

1           their fixed costs and discretionary spend-  
2           ing.

3           “(2) GUIDELINES.—

4           “(A) IN GENERAL.—The authority shall  
5           establish and publish guidelines—

6                   “(i) for the type and level of indi-  
7                   vidual support provided based on different  
8                   income levels, including the allocation of  
9                   premium responsibility between the author-  
10                  ity, the individual, and an employer (or  
11                  former employer); and

12                   “(ii) for verification and validation by  
13                  the authority of individual applicants.

14           “(B) TREATMENT OF ASSETS.—Such  
15           guidelines—

16                   “(i) shall not take into account the  
17                   value of the homestead or other non-liquid  
18                   assets of the individual; and

19                   “(ii) shall be designed to result in a  
20                  level of assistance for an individual nec-  
21                  essary to cover the cost of maintaining  
22                  adequate health benefits coverage for the  
23                  individual and the individual’s family at a  
24                  level that preceded the adverse con-

1 sequences of the economic dislocation for  
2 the area involved.

3 “(3) ASSIGNMENT TO INSURERS; NEGOTIATION  
4 AUTHORITY.—An eligible public health authority  
5 may aggregate and assign individuals making appli-  
6 cation to the authority for assistance under this title  
7 to various insurers and may negotiate on behalf of  
8 the authority and the Federal government for health  
9 insurance opportunities that improve the range of  
10 coverage and plans or result in a more reasonable  
11 premium or a greater mix of covered services and  
12 coverage on behalf of the enrolled members.

13 **“SEC. 2902. FUNDING.**

14 “(a) AUTHORIZATION OF APPROPRIATIONS.—There  
15 are authorized to be appropriated, beginning with fiscal  
16 year 2007, such sums as may be necessary to provide for  
17 funding to eligible public health authorities under section  
18 2901.

19 “(b) DISTRIBUTION OF FUNDS.—

20 “(1) IN GENERAL.—Of the amounts appro-  
21 priated under subsection (a), the Secretary shall  
22 provide for the distribution of funds, among authori-  
23 ties with applications approved under section 2901,  
24 based upon a formula that, subject to paragraph (2),  
25 takes into account—

1           “(A) the number of individuals (and fami-  
2           lies) for which assistance will be provided by  
3           each authority;

4           “(B) the income levels for such families;  
5           and

6           “(C) the cost of health benefits coverage  
7           (for which such assistance will be provided) in  
8           the area involved.

9           “(2) OVERHEAD ALLOTMENT.—Of the funds  
10          made available under this title to eligible public  
11          health authorities, there shall be made available to  
12          each authority (before the application of the formula  
13          under paragraph (1)) an amount (specified by the  
14          Secretary) that would allow for the immediate estab-  
15          lishment of the administrative framework in order to  
16          implement a Bridges program in the area served by  
17          such authority.

18          “(c) SUPPLEMENTAL FUNDING.—The funds provided  
19          by this title are in addition to, and shall not in any manner  
20          diminish, the current level of financial assistance and sup-  
21          port to any programs that are provided for under any  
22          other appropriation providing assistance to hospitals and  
23          providers, and shall not affect benefits provided to busi-  
24          nesses or individual workers under any unemployment  
25          program or otherwise. Funding under such programs shall

1 not be diminished as a result of assistance provided under  
2 this title.

3 **“SEC. 2903. DEFINITIONS.**

4 “For purposes of this title:

5 “(1) The term ‘eligible public health authority’  
6 means a public agency that—

7 “(A) is created pursuant to State law  
8 (which may be through an intergovernmental  
9 compact authorized under such law);

10 “(B) is comprised of two or more units of  
11 government;

12 “(C) has a catchment area that includes a  
13 population of at least 125,000 individuals; and

14 “(D) has a charter that includes, as a  
15 principal purpose, the provision of assistance to  
16 local, county, and State units of government or  
17 employers, employees and health insurance or-  
18 ganizations or security pools regulated by State  
19 government.

20 “(2) The term ‘State’ includes the District of  
21 Columbia.”.

22 (b) CONFORMING AMENDMENT.—Section 2(f) of  
23 such Act (42 U.S.C. 201(f)) is amended by striking “or  
24 1633(1)” and inserting “1633(1), and 2903(2)”.

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