

104TH CONGRESS  
2D SESSION

# H. R. 4300

To amend the Public Health Service Act to assure the availability of health insurance coverage for children in the individual market in a manner similar to guaranteed availability of individual health insurance coverage for certain previously covered individuals under the Health Insurance Portability and Accountability Act of 1996.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 28, 1996

Ms. FURSE introduced the following bill; which was referred to the Committee on Commerce

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## A BILL

To amend the Public Health Service Act to assure the availability of health insurance coverage for children in the individual market in a manner similar to guaranteed availability of individual health insurance coverage for certain previously covered individuals under the Health Insurance Portability and Accountability Act of 1996.

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 “Children Health Insur-  
5       ance Access Amendments of 1996”.

1 **SEC. 2. AMENDMENT TO PUBLIC HEALTH SERVICE ACT.**

2 (a) IN GENERAL.—Title XXVII of the Public Health  
3 Service Act, as added by section 111(a) of the Health In-  
4 surance Portability and Accountability Act of 1996, is  
5 amended by inserting after section 2741 the following new  
6 section:

7 **“SEC. 2741A. GUARANTEED AVAILABILITY OF INDIVIDUAL**  
8 **HEALTH INSURANCE COVERAGE TO UNIN-**  
9 **SURED CHILDREN.**

10 “(a) GUARANTEED AVAILABILITY.—

11 “(1) IN GENERAL.—Subject to the succeeding  
12 subsections of this section, each health insurance is-  
13 suer that offers health insurance coverage (as de-  
14 fined in section 2791(b)(1)) in the individual market  
15 in a State, in the case of an eligible child (as defined  
16 in subsection (b)) desiring to enroll in individual  
17 health insurance coverage—

18 “(A) may not decline to offer such cov-  
19 erage to, or deny enrollment of, such child;

20 “(B) either (i) does not impose any pre-  
21 existing condition exclusion (as defined in sec-  
22 tion 2701(b)(1)(A)) with respect to such cov-  
23 erage, or (ii) imposes such a preexisting condi-  
24 tion exclusion only to the extent such an exclu-  
25 sion may be imposed under section 2701(a) in

1 the case of an individual who is not a late en-  
2 rollee; and

3 “(C) shall provide that the premium for  
4 the coverage is determined in a manner so that  
5 the ratio of the premium for such eligible chil-  
6 dren to the premium for eligible individuals de-  
7 scribed in section 2741(b) does not exceed the  
8 ratio of the actuarial value of such coverage  
9 (calculated based on a standardized population  
10 and a set of standardized utilization and cost  
11 factors) for children to such actuarial value for  
12 such coverage for such eligible individuals.

13 “(2) SUBSTITUTION BY STATE OF ACCEPTABLE  
14 ALTERNATIVE MECHANISM.—The requirement of  
15 paragraph (1) shall not apply to health insurance  
16 coverage offered in the individual market in a State  
17 in which the State is implementing an acceptable al-  
18 ternative mechanism under section 2744.

19 “(b) ELIGIBLE CHILD DEFINED.—In this part, the  
20 term ‘eligible child’ means an individual born after Sep-  
21 tember 30, 1983, who has not attained 16 years of age  
22 and—

23 “(1) who is a citizen or national of the United  
24 States, an alien lawfully admitted for permanent res-

1 idence, or an alien otherwise permanently residing in  
2 the United States under color of law;

3 “(2) who is not eligible for coverage under (A)  
4 a group health plan, (B) part A or part B of title  
5 XVIII of the Social Security Act, or (C) a State plan  
6 under title XIX of such Act (or any successor pro-  
7 gram), and does not have other health insurance  
8 coverage; and

9 “(3) with respect to whom the most recent cov-  
10 erage (if any, within the 1-year period ending on the  
11 date coverage is sought under this section) was not  
12 terminated based on a factor described in paragraph  
13 (1) or (2) of section 2712(b) (relating to nonpay-  
14 ment of premiums or fraud).

15 For purposes of paragraph (2)(A), the term ‘group health  
16 plan’ does not include COBRA continuation coverage.

17 “(c) INCORPORATION OF CERTAIN PROVISIONS.—

18 “(1) IN GENERAL.—Subject to paragraph (2),  
19 the provisions of subsections (c), (d), (e) and (f)  
20 (other than paragraph (1)) of section 2741 and sec-  
21 tion 2744 shall apply in relation to eligible children  
22 under subsection (a) in the same manner as they  
23 apply in relation to eligible individuals under section  
24 2741(a).

1           “(2) SPECIAL RULES FOR ACCEPTABLE ALTER-  
2           NATIVE MECHANISMS.—With respect to applying  
3           section 2744 under paragraph (1)—

4                   “(A) the requirement in subsection  
5                   (a)(1)(B) shall be applied instead of the re-  
6                   quirement of section 2744(a)(1)(B);

7                   “(B) the requirement in subsection  
8                   (a)(1)(C) shall be applied instead of the re-  
9                   quirement of section 2744(a)(1)(D); and

10                   “(C) any deadline specified in such section  
11                   shall be 6 months after the deadline otherwise  
12                   specified.”.

13           (b) EFFECTIVE DATE.—The amendment made by  
14           subsection (a) shall take effect as if included in the enact-  
15           ment of section 2741 of the Public Health Service Act  
16           under section 111(a) of the Health Insurance Portability  
17           and Accountability Act of 1996.

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