

Calendar No. 261

105TH CONGRESS
1ST Session
H. R. 497

AN ACT

To repeal the Federal charter of Group Hospitalization and Medical Services, Inc., and for other purposes.

NOVEMBER 6, 1997

Reported with an amendment and an amendment to the
title

Calendar No. 261

105TH CONGRESS
1ST SESSION

H. R. 497

IN THE SENATE OF THE UNITED STATES

FEBRUARY 27, 1997

Received

MARCH 12, 1997

Read twice and referred to the Committee on Governmental Affairs

NOVEMBER 6, 1997

Reported by Mr. THOMPSON, with an amendment and an amendment to the
title

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To repeal the Federal charter of Group Hospitalization and
Medical Services, Inc., and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. REPEAL OF FEDERAL CHARTER OF GROUP**
2 **HOSPITALIZATION AND MEDICAL SERVICES,**
3 **INC.**

4 (a) REPEAL OF FEDERAL CHARTER.—

5 (1) IN GENERAL.—The Act entitled “An Act
6 providing for the incorporation of certain persons as
7 Group Hospitalization, Inc.”, approved August 11,
8 1939 (53 Stat. 1412), is repealed.

9 (2) AUTHORIZATION TO FILE ARTICLES OF IN-
10 CORPORATION.—Group Hospitalization and Medical
11 Services, Inc. is hereby authorized to file articles of
12 incorporation under the District of Columbia Non-
13 profit Corporation Act.

14 (3) EFFECTIVE DATE.—The amendment made
15 by paragraph (1) shall take effect upon the filing
16 and effectiveness of articles of incorporation of
17 Group Hospitalization and Medical Services, Inc.
18 under the District of Columbia Nonprofit Corpora-
19 tion Act.

20 (b) EFFECTS OF BECOMING A DISTRICT OF COLUM-
21 BIA NONPROFIT CORPORATION.—Effective upon the filing
22 and effectiveness of articles of incorporation of Group
23 Hospitalization and Medical Services, Inc. as authorized
24 in paragraph (2) of subsection (a), Group Hospitalization
25 and Medical Services, Inc.—

1 (1) shall be a District of Columbia nonprofit
2 corporation subject to the articles of incorporation;

3 (2) shall be deemed organized and existing
4 under the District of Columbia Nonprofit Corpora-
5 tion Act, notwithstanding any of the provisions of
6 section 4 of the District of Columbia Nonprofit Cor-
7 poration Act regarding organizations subject to any
8 of the provisions of the insurance laws of the Dis-
9 trict of Columbia;

10 (3) shall be legally domiciled in the District of
11 Columbia;

12 (4) shall be regulated by the Superintendent of
13 Insurance of the District of Columbia in accordance
14 with the laws and regulations of the District of Co-
15 lumbia;

16 (5) shall continue to exist; and

17 (6) shall continue to be authorized to transact
18 business—

19 (A) under existing certificates of authority
20 and licenses issued to Group Hospitalization
21 and Medical Services, Inc. before such filing
22 and effectiveness;

23 (B) under the name “Group Hospitaliza-
24 tion and Medical Services, Inc.”; and

25 (C) under applicable laws and regulations.

1 **SEC. 2. WAIVER OF CONGRESSIONAL REVIEW PERIOD.**

2 Notwithstanding section 602(e)(1) of the District of
 3 Columbia Self-Government and Governmental Reorganiza-
 4 tion Act (sec. 1-233(e)(1), D.C. Code), the Hospital and
 5 Medical Services Corporation Regulatory Act of 1996
 6 (D.C. Act 11-505) shall take effect on the date of the
 7 enactment of such Act or the date of the enactment of
 8 this Act, whichever is later.

9 **SECTION 1. CHARTER FOR GROUP HOSPITALIZATION AND**
 10 **MEDICAL SERVICES, INC.**

11 *The Act entitled “An Act providing for the incorpora-*
 12 *tion of certain persons as Group Hospitalization and Medi-*
 13 *cal Services, Inc.”, approved August 11, 1939, is amend-*
 14 *ed—*

15 *(1) by inserting after section 9 the following new*
 16 *section:*

17 *“SEC. 10. The corporation may have 1 class of mem-*
 18 *bers, consisting of at least 1 member and not more than*
 19 *30 members, as determined appropriate by the board of*
 20 *trustees. The bylaws for the corporation shall prescribe the*
 21 *designation of such class as well as the rights, privileges*
 22 *and qualifications of such class, which may include, but*
 23 *shall not be limited to—*

24 *“(1) the manner of election, appointment or re-*
 25 *moval of a member of the corporation;*

1 “(2) matters on which a member of the corpora-
2 tion has the right to vote; and

3 “(3) meeting, notice, quorum, voting and proxy
4 requirements and procedures.

5 *If a member of the corporation is a corporation, such mem-
6 ber shall be a nonprofit corporation.”;*

7 (2) by redesignating section 10 as section 11;
8 and

9 (3) by adding at the end of section 11 (as so re-
10 designated) the following: “The corporation may not
11 be dissolved without approval by Congress.”.

12 **SEC. 2. CONSISTENT COVERAGE FOR INDIVIDUALS EN-**
13 **ROLLED IN A HEALTH PLAN ADMINISTERED**
14 **BY THE FEDERAL BANKING AGENCIES.**

15 (a) *ENROLLMENT IN CHAPTER 89 PLAN.*—For pur-
16 poses of chapter 89 of title 5, United States Code, any pe-
17 riod of enrollment shall be deemed to be a period of enroll-
18 ment in a health benefits plan under chapter 89 of such
19 title, if such enrollment is—

20 (1) *in a health benefits plan administered by the*
21 *Federal Deposit Insurance Corporation before the ter-*
22 *mination of such plan on January 3, 1998; or*

23 (2) *subject to subsection (c), in a health benefits*
24 *plan (not under chapter 89 of such title) with respect*
25 *to which the eligibility of any employees or retired*

1 *employees of the Board of Governors of the Federal*
2 *Reserve System terminates on January 3, 1998.*

3 *(b) ENROLLMENT; CONTINUED COVERAGE.—*

4 *(1) ENROLLMENT.—Subject to subsection (c),*
5 *any individual who, on January 3, 1998, is enrolled*
6 *in a health benefits plan described in paragraph (1)*
7 *or (2) of subsection (a) may enroll in an approved*
8 *health benefits plan under chapter 89 of title 5, Unit-*
9 *ed States Code, either as an individual or for self and*
10 *family, if, after taking into account the provisions of*
11 *subsection (a), such individual—*

12 *(A) meets the requirements of that chapter*
13 *89 for eligibility to become so enrolled as an em-*
14 *ployee, annuitant, or former spouse (within the*
15 *meaning of that chapter); or*

16 *(B) would meet the requirements of that*
17 *chapter 89 if, to the extent such requirements in-*
18 *volve either retirement system under such title 5,*
19 *such individual satisfies similar requirements or*
20 *provisions of the Retirement Plan for Employees*
21 *of the Federal Reserve System.*

22 *(2) DETERMINATIONS.—Any determination*
23 *under paragraph (1)(B) shall be made under guide-*
24 *lines established by the Office of Personnel Manage-*

1 *ment in consultation with the Board of Governors of*
2 *the Federal Reserve System.*

3 (3) *CONTINUED COVERAGE.*—Subject to sub-
4 *section (c), any individual who, on January 3, 1998,*
5 *is entitled to continued coverage under a health bene-*
6 *fits plan described in paragraph (1) or (2) of sub-*
7 *section (a) shall be deemed to be entitled to continued*
8 *coverage under section 8905a of title 5, United States*
9 *Code, but only for the same remaining period as*
10 *would have been allowable under the health benefits*
11 *plan in which such individual was enrolled on Janu-*
12 *ary 3, 1998, if—*

13 (A) *the individual had remained enrolled in*
14 *that plan; and*

15 (B) *that plan did not terminate, or the eli-*
16 *gibility of such individual with respect to that*
17 *plan did not terminate, as described in sub-*
18 *section (a).*

19 (4) *COMPARABLE TREATMENT.*—Subject to sub-
20 *section (c), any individual (other than an individual*
21 *under paragraph (3)) who, on January 3, 1998, is*
22 *covered under a health benefits plan described in*
23 *paragraph (1) or (2) of subsection (a) as an unmar-*
24 *ried dependent child, but who does not then qualify*
25 *for coverage under chapter 89 of title 5, United States*

1 *Code, as a family member (within the meaning of*
2 *that chapter) shall be deemed to be entitled to contin-*
3 *ued coverage under section 8905a of that title, to the*
4 *same extent and in the same manner as if such indi-*
5 *vidual had, on January 3, 1998, ceased to meet the*
6 *requirements for being considered an unmarried de-*
7 *pendent child of an enrollee under such chapter.*

8 (5) *EFFECTIVE DATE.*—*Coverage under chapter*
9 *89 of title 5, United States Code, pursuant to an en-*
10 *rollment under this section shall become effective on*
11 *January 4, 1998.*

12 (c) *ELIGIBILITY FOR FEHBP LIMITED TO INDIVID-*
13 *UALS LOSING ELIGIBILITY UNDER FORMER HEALTH*
14 *PLAN.*—*Nothing in subsection (a)(2) or any paragraph of*
15 *subsection (b) (to the extent that paragraph (2) relates to*
16 *the plan described in subsection (a)(2)) shall be considered*
17 *to apply with respect to any individual whose eligibility*
18 *for coverage under the plan does not involuntarily termi-*
19 *nate on January 3, 1998.*

20 (d) *TRANSFERS TO THE EMPLOYEES HEALTH BENE-*
21 *FITS FUND.*—*The Federal Deposit Insurance Corporation*
22 *and the Board of Governors of the Federal Reserve System*
23 *shall transfer to the Employees Health Benefits Fund,*
24 *under section 8909 of title 5, United States Code, amounts*
25 *determined by the Director of the Office of Personnel Man-*

1 agement, after consultation with the Federal Deposit Insur-
2 ance Corporation and the Board of Governors of the Federal
3 Reserve System, to be necessary to reimburse the Fund for
4 the cost of providing benefits under this section not other-
5 wise paid for by the individuals covered by this section.
6 The amounts so transferred shall be held in the Fund and
7 used by the Office of Personnel Management in addition
8 to amounts available under section 8906(g)(1) of title 5,
9 United States Code.

10 (e) ADMINISTRATION AND REGULATIONS.—The Office
11 of Personnel Management—

12 (1) shall administer the provisions of this section
13 to provide for—

14 (A) a period of notice and open enrollment
15 for individuals affected by this section; and

16 (B) no lapse of health coverage for individ-
17 uals who enroll in a health benefits plan under
18 chapter 89 of title 5, United States Code, in ac-
19 cordance with this section; and

20 (2) may prescribe regulations to implement this
21 section.

Amend the title so as to read: “An Act to amend the Federal charter for Group Hospitalization and Medical Services, Inc., and for other purposes.”.

Passed the House of Representatives February 26, 1997.

Attest:

ROBIN H. CARLE,

Clerk.