

106TH CONGRESS
2D SESSION

S. 2888

To guarantee for all Americans quality, affordable, and comprehensive health insurance coverage.

IN THE SENATE OF THE UNITED STATES

JULY 19, 2000

Mr. WELLSTONE introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To guarantee for all Americans quality, affordable, and comprehensive health insurance 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. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Health Security for All Americans Act”.

6 (b) **TABLE OF CONTENTS.**—The table of contents of
7 the Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.

TITLE I—HEALTH SECURITY FOR ALL AMERICANS—EXPANSION
PHASE (PHASE I)

Sec. 101. Expansion phase (phase I) voluntary State universal health insurance coverage plans.

“TITLE XXII—HEALTH SECURITY FOR ALL AMERICANS

“PART A—EXPANSION PHASE (PHASE I) PLANS

- “Sec. 2201. Purpose; voluntary State plans.
- “Sec. 2202. Plan requirements.
- “Sec. 2203. Coverage requirements for expansion phase (phase I) plans.
- “Sec. 2204. Allotments.
- “Sec. 2205. Administration.
- “Sec. 2206. Definitions.”.

TITLE II—HEALTH SECURITY FOR ALL AMERICANS—UNIVERSAL PHASE (PHASE II)

Sec. 201. Universal phase (phase II) State universal health insurance coverage plans.

“PART B—UNIVERSAL PHASE (PHASE II) PLANS

- “Sec. 2211. Purpose; mandatory State plans.
 - “Sec. 2212. Plan requirements.
 - “Sec. 2213. Coverage requirements for universal phase (phase II) plans.
 - “Sec. 2214. Requirements for employers regarding the provision of benefits.
 - “Sec. 2215. Allotments.
 - “Sec. 2216. Administration; definitions.”.
- Sec. 202. Consumer protections.

“PART C—CONSUMER PROTECTIONS

- “Sec. 2221. Home care standards.
- “Sec. 2222. Consumer protection in the event of termination or suspension of services.
- “Sec. 2223. Consumer protection through disclosure of information.”.
- “Sec. 2224. Consumer protection through notice of changes in health care delivery.”.

TITLE III—PATIENT PROTECTIONS

Sec. 301. Incorporation of certain protections.

TITLE IV—HEALTH CARE QUALITY, PATIENT SAFETY, AND WORKFORCE STANDARDS

- Sec. 401. Health Care Quality, Patient Safety, and Workforce Standards Institute.
- Sec. 402. Health Care Quality, Patient Safety, and Workforce Standards Advisory Committee.

TITLE V—IMPROVING MEDICARE BENEFITS

- Sec. 501. Full mental health and substance abuse treatment benefits parity.
- Sec. 502. Study and report regarding addition of prescription drug benefit.

TITLE VI—LONG-TERM AND HOME HEALTH CARE

Sec. 601. Studies and demonstration projects to identify model programs.

TITLE VII—MISCELLANEOUS

Sec. 701. Nonapplication of ERISA.

Sec. 702. Sense of Congress regarding offsets.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) The health of the American people is the
4 foundation of American strength, productivity, and
5 wealth.

6 (2) The guarantee of health care coverage and
7 access to quality medical care to all Americans is a
8 fundamental right and is essential to the general
9 welfare.

10 (3) 45,000,000 Americans, more than
11 11,000,000 of whom are children, have no health in-
12 surance, and that number will grow to more than
13 54,000,000 by 2007 even if the economy remains
14 strong.

15 (4) Health insurance coverage is unstable; less
16 than 1/2 of all adults have been in their current
17 health plan for 3 years.

18 (5) The average American will hold at least 7
19 jobs during their life, risking lack of health coverage
20 every time they change or are between jobs.

21 (6) In 1998, annual health care expenditures in
22 the United States totaled \$1,150,000,000,000, or

1 \$4,094 per person. National health expenditures are
2 projected to total \$2,200,000,000,000 by 2008.

3 (7) In 1998, health care expenditures rep-
4 resented 13.5 percent of the gross domestic product
5 in the United States and grew at the rate of 5.6 per-
6 cent while the gross domestic product grew only at
7 the rate of 4.9 percent. By 2008, health care ex-
8 penditures are projected to reach 16.2 percent of
9 gross domestic product. Growth in health spending
10 is projected to average 1.8 percentage points above
11 the growth rate of the gross domestic product for
12 the period beginning with 1998 and ending with
13 2008.

14 (8) Although the United States spends consid-
15 erably more in health care per person than any other
16 nation, it ranks only fifteenth among countries
17 worldwide on an overall index designed to measure
18 a range of health goals according to the World
19 Health Organization.

20 (9) One of 4 adults, about 40,000,000 people,
21 say they have gone without needed medical care be-
22 cause they couldn't afford it.

23 (10) Nearly 31,000,000 Americans face collec-
24 tion agencies annually because they owe money for
25 medical bills.

1 (11) The average American worker is paying 3
2 times more for family coverage than 10 years ago,
3 and more than 4 times more for employee-only cov-
4 erage.

5 (12) Because many individuals do not have
6 health insurance coverage, they may incur health
7 care costs which they do not fully reimburse, result-
8 ing in cost-shifting to others.

9 (13) As a consequence of the piecemeal health
10 care system in the United States, administrative
11 overhead costs approximately \$1,000 per person an-
12 nually, while other Western industrialized nations
13 with universal health care systems spend approxi-
14 mately \$200 per person annually for administrative
15 overhead.

16 (14) The United States should adopt national
17 goals of universal, affordable, comprehensive health
18 insurance coverage and should provide generous
19 matching grants to the States to achieve those goals
20 within 5 years of the date of enactment of this Act.

1 **TITLE I—HEALTH SECURITY FOR**
 2 **ALL AMERICANS—EXPANSION**
 3 **PHASE (PHASE I)**

4 **SEC. 101. EXPANSION PHASE (PHASE I) VOLUNTARY STATE**
 5 **UNIVERSAL HEALTH INSURANCE COVERAGE**
 6 **PLANS.**

7 The Social Security Act (42 U.S.C. 301 et seq.) is
 8 amended by adding at the end the following:

9 **“TITLE XXII—HEALTH SECURITY**
 10 **FOR ALL AMERICANS**

11 **“PART A—EXPANSION PHASE (PHASE I) PLANS**

12 **“SEC. 2201. PURPOSE; VOLUNTARY STATE PLANS.**

13 “(a) PURPOSE.—The purpose of this part is to pro-
 14 vide funds to participating States to enable those States
 15 to ensure universal health insurance coverage by estab-
 16 lishing State administered systems.

17 “(b) EXPANSION PHASE (PHASE I) PLAN RE-
 18 QUIRED.—A State is not eligible for a payment under sec-
 19 tion 2205(a) unless the State has submitted to the Sec-
 20 retary a plan that—

21 “(1) sets forth how the State intends to use the
 22 funds provided under this part to ensure universal,
 23 affordable, and comprehensive health insurance cov-
 24 erage to eligible residents of the State consistent
 25 with the provisions of this part; and

1 “(2) has been approved under section 2202(d).

2 **“SEC. 2202. PLAN REQUIREMENTS.**

3 “(a) IN GENERAL.—Every expansion phase (phase I)
4 plan shall include provisions for the following:

5 “(1) INFORMATION ON THE LEVEL OF HEALTH
6 INSURANCE COVERAGE.—

7 “(A) The level of health insurance coverage
8 within the State as determined under sub-
9 section (b).

10 “(B) The base coverage gap for the year
11 involved as determined under subsection (b)(4).

12 “(C) State efforts to provide or obtain
13 health insurance coverage for uncovered resi-
14 dents of the State, including the steps the State
15 is taking to identify and enroll all uncovered
16 residents of the State who are eligible to par-
17 ticipate in public or private health insurance
18 programs.

19 “(2) DETAILS OF, AND TIMELINES FOR, EXPAN-
20 SION PHASE (PHASE I) PLAN.—

21 “(A) USE OF FUNDS; COORDINATION.—

22 The activities that the State intends to carry
23 out using funds received under this part, in-
24 cluding how the State will coordinate efforts
25 under this part with existing State efforts to in-

1 crease the health insurance coverage of individ-
2 uals.

3 “(B) TIMELINES.—Consistent with sub-
4 section (c), the manner in which the State will
5 reduce the base coverage gap for the year in-
6 volved, including a timetable with specified tar-
7 gets for reducing the base coverage gap by—

8 “(i) 50 percent within 2 years after
9 the date of approval of the expansion
10 phase (phase I) plan; and

11 “(ii) 100 percent within 4 years after
12 such date.

13 “(3) MAINTENANCE OF EFFORT.—The manner
14 in which the State will ensure that—

15 “(A) employers within the State will con-
16 tinue to provide not less than the level of finan-
17 cial support toward the health insurance pre-
18 miums required for coverage of their employees
19 as such employers provided as of the date of en-
20 actment of this title; and

21 “(B) the State will continue to provide not
22 less than the level of State expenditures in-
23 curred for State-funded health programs as of
24 such date.

1 “(4) STATE OUTREACH PROGRAMS; ACCESS.—

2 The manner in which, and a timetable for when, the
3 State will—

4 “(A) institute outreach programs; and

5 “(B) ensure that all eligible residents of
6 the State have access to the health insurance
7 coverage provided under this part.

8 “(5) ASSURANCE OF COVERAGE OF ESSENTIAL
9 SERVICES.—An assurance that the State program
10 established under this part will comply with the re-
11 quirements of section 1867 (commonly referred to as
12 the ‘Emergency Medical Treatment and Active
13 Labor Act’).

14 “(6) REPRESENTATION ON BOARDS AND COM-
15 MISSIONS.—The manner in which the State will en-
16 sure that all Boards and Commissions that the State
17 establishes to administer the plan will include,
18 among others, representatives of providers, con-
19 sumers, employers, and health worker unions.

20 “(7) DISCLOSURE OF INFORMATION TO THE
21 PUBLIC.—The manner in which the State will ensure
22 that, with respect to entities and individuals that
23 provide services for which reimbursement is provided
24 under this part—

1 “(A) financial arrangements between in-
2 surers and providers and between providers and
3 medical equipment suppliers are disclosed to the
4 public; and

5 “(B) ownership interests and health care
6 worker qualifications and credentials are dis-
7 closed to the public.

8 “(8) CONSUMER PROTECTIONS.—The manner
9 in which the State will ensure compliance with sec-
10 tions 2221, 2222, 2223, and 2224.

11 “(9) PUBLIC REVIEW.—The manner in which
12 the State will provide for the public review of insti-
13 tutional changes in services provided, markets and
14 regions covered, withdrawal or movement of services,
15 closures or downsizing, and other actions that affect
16 the provision of health insurance under the plan.

17 “(10) SERVICES IN RURAL AND UNDERSERVED
18 AREAS; CULTURAL COMPETENCY.—The manner in
19 which the State will ensure—

20 “(A) coverage in rural and underserved
21 areas; and

22 “(B) that the needs of culturally diverse
23 populations are met.

24 “(11) PURCHASING POOLS.—The manner in
25 which the State will encourage the formation of

1 State purchasing pools that provide choice of health
 2 plans, control costs, and reduce adverse risk selec-
 3 tion.

4 “(12) LIMITATION ON ADMINISTRATIVE EX-
 5 PENDITURES.—The manner in which the State will
 6 ensure that all qualified plans in the State expend
 7 at least 90 percent (or, during the first 2 years of
 8 the plan, 85 percent) of total income received from
 9 premiums on the provision of covered health care
 10 benefits (excluding all costs for marketing, adver-
 11 tising, health plan administration, profits, or capital
 12 accumulation) to individuals.

13 “(13) SELF-EMPLOYED AND MULTI-
 14 EMPLOYED.—The manner in which the State will
 15 address self-employed individuals and multiwage
 16 earner families.

17 “(14) MEDICAID WRAPAROUND COVERAGE.—
 18 The manner in which the State will ensure that indi-
 19 viduals who are eligible for medical assistance under
 20 title XIX and who receive benefits under the expan-
 21 sion phase (phase I) plan shall receive any items or
 22 services that are not available under the expansion
 23 phase (phase I) plan but that are available under
 24 the State medicaid program under title XIX through
 25 ‘wraparound coverage’ under such program.

1 “(15) OTHER MATTERS.—Any other matter de-
2 termined appropriate by the Secretary.

3 “(b) CURRENT LEVEL OF COVERAGE.—

4 “(1) IN GENERAL.—The Secretary shall develop
5 a survey approach that provides timely and up-to-
6 date data to determine the percentage of the popu-
7 lation of each State that is currently covered by a
8 health insurance plan or program that provides cov-
9 erage that meets the requirements of section
10 2203(a).

11 “(2) BIENNIAL SURVEY.—The Secretary shall
12 provide for the conduct of the survey developed
13 under paragraph (1) not less than biennially to
14 make coverage determinations for purposes of para-
15 graph (1).

16 “(3) USE OF ALTERNATIVE SYSTEM.—The Sec-
17 retary shall permit a State to utilize an alternative
18 population-based monitoring system to make deter-
19 minations with respect to coverage in the State for
20 purposes of paragraph (1) if the Secretary deter-
21 mines that such system meets or exceeds the meth-
22 odological standards utilized in the survey developed
23 under paragraph (1).

24 “(4) BASE COVERAGE GAP.—For purposes of
25 subsection (a)(1)(A), the base coverage gap for a

1 State shall be equal to 100 percent of the eligible in-
 2 dividuals and families in the State for the year in-
 3 volved, less the current level of coverage for those in-
 4 dividuals and families for such year as determined
 5 under paragraph (1) or (3).

6 “(c) REDUCING THE LEVEL OF UNINSURED INDIVID-
 7 UALS.—

8 “(1) IN GENERAL.—To be eligible to receive
 9 funds under this part, a State shall agree to admin-
 10 ister an expansion phase (phase I) plan with a goal
 11 of providing health insurance coverage for 100 per-
 12 cent of the eligible residents of the State by not later
 13 than 4 years after the date of approval of the State’s
 14 expansion phase (phase I) plan.

15 “(2) PERMISSIBLE ACTIVITIES.—A State may
 16 use amounts provided under this part for any activi-
 17 ties consistent with this part that are appropriate to
 18 enroll individuals in health plans and health pro-
 19 grams to meet the targets contained in the State
 20 plan under subsection (a)(2)(B), including through
 21 the use of direct payments to health plans or, in the
 22 case of a single State plan, directly to providers of
 23 services.

24 “(d) PROCESS FOR SUBMISSION, APPROVAL, AND
 25 AMENDMENT OF EXPANSION PHASE (PHASE I) PLAN.—

1 The provisions of section 2106 apply to an expansion
 2 phase (phase I) plan under this part in the same manner
 3 as they apply to a State plan under title XXI, except that
 4 no expansion phase (phase I) plan may be effective earlier
 5 than January 1, 2001, and all expansion phase (phase I)
 6 plans must be submitted for approval by not later than
 7 December 31, 2002.

8 **“SEC. 2203. COVERAGE REQUIREMENTS FOR EXPANSION**
 9 **PHASE (PHASE I) PLANS.**

10 “(a) REQUIRED SCOPE OF HEALTH INSURANCE COV-
 11 ERAGE.—Health insurance coverage provided under this
 12 part shall consist of at least the benefits provided under
 13 the Federal Employees Health Benefits Program standard
 14 Blue Cross/Blue Shield preferred provider option service
 15 benefit plan, described in and offered under section
 16 8903(1) of part 5, United States Code, including mental
 17 health and substance abuse treatment benefits parity.

18 “(b) LIMITATIONS ON PREMIUMS AND COST-SHAR-
 19 ING.—

20 “(1) DESCRIPTION; GENERAL CONDITIONS.—An
 21 expansion phase (phase I) plan shall include a de-
 22 scription, consistent with this subsection, of the
 23 amount (if any) of premiums, cost-sharing, or other
 24 similar charges imposed. Any such charges shall be
 25 imposed pursuant to a public schedule.

1 “(2) LIMITATIONS ON PREMIUMS AND COST-
2 SHARING.—

3 “(A) INDIVIDUALS AND FAMILIES WITH IN-
4 COME BELOW 150 PERCENT OF POVERTY
5 LINE.—In the case of an individual or family
6 whose income is at or below 150 percent of the
7 poverty line—

8 “(i) the State plan may not impose a
9 premium; and

10 “(ii) the total annual aggregate
11 amount of cost-sharing imposed by a State
12 with respect to all individuals in a family
13 may not exceed 0.5 percent of the family’s
14 income for the year involved.

15 “(B) INDIVIDUALS AND FAMILIES WITH
16 INCOME BETWEEN 150 AND 300 PERCENT OF
17 POVERTY LINE.—In the case of an individual or
18 family whose income exceeds 150 percent but
19 does not exceed 300 percent of the poverty
20 line—

21 “(i) the State plan may not impose a
22 premium that exceeds an amount that is
23 equal to—

24 “(I) 20 percent of the average
25 cost of providing benefits to an indi-

1 vidual (or a family) under this part in
2 the year involved; or

3 “(II) 3 percent of the family’s in-
4 come for the year involved; and

5 “(ii) the total annual aggregate
6 amount of premiums and cost-sharing
7 (combined) imposed by a State with re-
8 spect to all individuals in a family may not
9 exceed 5 percent of the family’s income for
10 the year involved.

11 “(C) INDIVIDUALS AND FAMILIES WITH IN-
12 COME ABOVE 300 PERCENT OF POVERTY
13 LINE.—In the case of an individual or family
14 whose income exceeds 300 percent of the pov-
15 erty line—

16 “(i) the State plan may not impose a
17 premium that exceeds 20 percent of the
18 average cost of providing benefits to an in-
19 dividual (or a family of the size involved)
20 under this part in the year involved; and

21 “(ii) the total annual aggregate
22 amount of premiums and cost-sharing
23 (combined) imposed by a State with re-
24 spect to all individuals in a family may not

1 exceed 7 percent of the family's income for
2 the year involved.

3 “(D) SELF-EMPLOYED INDIVIDUALS.—The
4 State shall establish rules for self-employed in-
5 dividuals based on individual and family in-
6 come.

7 “(3) COLLECTION.—The State shall establish
8 procedures for collecting any premiums, cost-shar-
9 ing, or other similar charges imposed under this
10 part. Such procedures shall provide for annual rec-
11 onciliations and adjustments.

12 “(c) APPLICATION OF CERTAIN REQUIREMENTS.—

13 “(1) RESTRICTION ON APPLICATION OF PRE-
14 EXISTING CONDITION EXCLUSIONS.—The expansion
15 phase (phase I) plan shall not permit the imposition
16 of any preexisting condition exclusion for covered
17 benefits under the plan.

18 “(2) CHOICE OF PLANS.—

19 “(A) IN GENERAL.—Except as provided in
20 subparagraph (B), the expansion phase (phase
21 I) plan shall offer eligible individuals and fami-
22 lies a choice of qualified plans from which to re-
23 ceive benefits under this part. At least 1 plan
24 shall be a preferred provider option plan.

25 “(B) WAIVER.—The Secretary—

1 “(i) may waive the requirement under
 2 subparagraph (A) if determined appro-
 3 priate; and

4 “(ii) shall waive such requirement in
 5 the case of a State that establishes a single
 6 State plan.

7 **“SEC. 2204. ALLOTMENTS.**

8 “(a) STATE ALLOTMENTS.—

9 “(1) IN GENERAL.—With respect to a fiscal
 10 year, the Secretary shall allot to each State with an
 11 expansion phase (phase I) plan approved under this
 12 part the amount determined under paragraph (2) for
 13 such State for such fiscal year.

14 “(2) DETERMINATION OF COST OF COV-
 15 ERAGE.—The amount determined under this para-
 16 graph is the amount equal to—

17 “(A) the product of—

18 “(i) the Federal participation rate for
 19 the State as determined under subsection
 20 (b) or, if applicable, the enhanced Federal
 21 participation rate for the State, as deter-
 22 mined under subsection (c);

23 “(ii) the estimated cost for the min-
 24 imum benefits package required to comply

1 under section 2203, not to exceed the sum
2 of—

3 “(I) the total annual Government
4 and employee contributions required
5 for individual or self and family health
6 benefits coverage under the Federal
7 Employees Health Benefits Program
8 standard Blue Cross/Blue Shield pre-
9 ferred provider option service benefit
10 plan, described in and offered under
11 section 8903(1) of title 5, United
12 States Code (adjusted for age, as the
13 Secretary determines appropriate);
14 and

15 “(II) the estimated average cost-
16 sharing expense for an individual or
17 family; and

18 “(iii) the estimated number of resi-
19 dents to be enrolled in the expansion phase
20 (phase I) plan; less

21 “(B) the sum of—

22 “(i) the individual or family health in-
23 surance contribution and cost-sharing pay-
24 ments to be made in accordance with sec-
25 tion 2203(b); and

1 “(ii) any applicable employer contribu-
 2 tion to such payments.

3 “(b) FEDERAL PARTICIPATION RATE.—For purposes
 4 of subsection (a)(2)(A)(i), the Federal participation rate
 5 for a State shall be equal to the enhanced FMAP deter-
 6 mined for the State under section 2105(b).

7 “(c) ENHANCED FEDERAL PARTICIPATION RATE.—
 8 “(1) IN GENERAL.—For purposes of subsection
 9 (a)(2)(A)(i), the enhanced Federal participation rate
 10 for a State shall be equal to the Federal participa-
 11 tion rate for such State under subsection (b), as ad-
 12 justed by the Secretary based on the decrease in the
 13 base coverage gap in the State.

14 “(2) AMOUNT OF ADJUSTMENT AND APPLICA-
 15 TION.—

16 “(A) AMOUNT OF ADJUSTMENT.—The
 17 Federal participation rate under subsection (b)
 18 with respect to a State shall be increased by—

19 “(i) 1 percentage point if the base
 20 coverage gap of the State has decreased by
 21 at least 50 percent within 2 years after the
 22 date of approval of the expansion phase
 23 (phase I) plan, as determined by the Sec-
 24 retary; and

1 “(ii) 3 percentage points if the base
2 coverage gap of the State has decreased by
3 100 percent within 4 years after the date
4 of approval of the expansion phase (phase
5 I) plan, as determined by the Secretary.

6 “(B) APPLICATION.—The increase de-
7 scribed in—

8 “(i) subparagraph (A)(i) shall only
9 apply to a State for the period beginning
10 with the month of the determination under
11 such subparagraph and ending with the
12 month preceding the month of the deter-
13 mination under subparagraph (A)(ii) (if
14 any), but in no event for more than 24
15 months; and

16 “(ii) subparagraph (A)(ii) shall apply
17 to a State for any year (or portion thereof)
18 beginning with the month of the deter-
19 mination under such subparagraph.

20 “(3) FULL COVERAGE.—For purposes of this
21 part, a State shall be deemed to have decreased its
22 base coverage gap by 100 percent if the Secretary
23 determines that—

24 “(A) 98 percent of all eligible residents of
25 the State are provided health insurance cov-

1 erage under the expansion phase (phase I) plan;
2 and

3 “(B) the remaining 2 percent of such resi-
4 dents are served by alternative health care de-
5 livery systems as demonstrated by the State.

6 “(d) GRANTS TO INDIAN TRIBES, NATIVE HAWAIIAN
7 ORGANIZATIONS, AND ALASKA NATIVE ORGANIZA-
8 TIONS.—

9 “(1) IN GENERAL.—Out of funds appropriated
10 under subsection (e), the Secretary shall reserve an
11 amount, not to exceed 1 percent of the total allot-
12 ments determined under subsection (a) for a fiscal
13 year, to make grants to Indian tribes, Native Hawai-
14 ian organizations, and Alaska Native organizations
15 for development and implementation of universal
16 health insurance coverage plans for members of such
17 tribes and organizations.

18 “(2) PLAN.—To be eligible to receive a grant
19 under paragraph (1), an Indian tribe, Native Hawai-
20 ian organization, or Alaska Native organization shall
21 submit a universal health insurance coverage plan to
22 the Secretary at such time, in such manner, and
23 containing such information, as the Secretary may
24 require.

1 “(3) REGULATIONS.—The Secretary shall issue
 2 regulations specifying the requirements of this part
 3 that apply to Indian tribes, Native Hawaiian organi-
 4 zations, and Alaska Native organizations receiving
 5 grants under paragraph (1).

6 “(e) APPROPRIATION.—

7 “(1) IN GENERAL.—Out of any funds in the
 8 Treasury not otherwise appropriated, there is appro-
 9 priated to carry out this title such sums as may be
 10 necessary for fiscal year 2001 and each fiscal year
 11 thereafter.

12 “(2) BUDGET AUTHORITY.—Paragraph (1) con-
 13 stitutes budget authority in advance of appropria-
 14 tions Acts and represents the obligation of the Fed-
 15 eral Government to provide States, Indian tribes,
 16 Native Hawaiian organizations, and Alaska Native
 17 organizations with the allotments determined under
 18 this section and the grants for administrative and
 19 outreach activities under section 2205.

20 **“SEC. 2205. ADMINISTRATION.**

21 “(a) PAYMENTS.—

22 “(1) IN GENERAL.—

23 “(A) QUARTERLY.—Subject to subpara-
 24 graph (B) and subsection (b), the Secretary
 25 shall make quarterly payments to each State

1 with an expansion phase (phase I) plan ap-
2 proved under this part, from its allotment
3 under section 2204.

4 “(B) FUNDING FOR ADMINISTRATION AND
5 OUTREACH.—

6 “(i) AUTHORITY TO MAKE GRANTS.—

7 In addition to the allotments determined
8 under section 2204, the Secretary may
9 make grants to States, Indian tribes, Na-
10 tive Hawaiian organizations, and Alaska
11 Native organizations for expenditures for
12 administrative and outreach activities.

13 “(ii) AMOUNTS.—

14 “(I) IN GENERAL.—A grant
15 awarded under this subparagraph
16 shall not exceed the applicable per-
17 centage (as determined under sub-
18 clause (II)) of the total amount allot-
19 ted to the State, Indian tribe, Native
20 Hawaiian organization, or Alaska Na-
21 tive organization under section 2204.

22 “(II) APPLICABLE PERCENT-
23 AGE.—For purposes of subclause (I),
24 the applicable percentage is—

1 “(aa) 14 percent during the
2 first 2 years an expansion phase
3 (phase I) plan is in effect and
4 complies with the requirements of
5 this title;

6 “(bb) 12 percent during the
7 third, fourth, and fifth years that
8 such plan, or a universal phase
9 (phase II) plan added by an ad-
10 dendum to an expansion phase
11 (phase I) plan, is in effect and
12 complies with the requirements of
13 this title; and

14 “(cc) 10 percent during any
15 year thereafter such plan (or uni-
16 versal phase (phase II) plan
17 added by an addendum to such
18 plan) is in effect and complies
19 with the requirements of this
20 title.

21 “(2) ADVANCE PAYMENT; RETROSPECTIVE AD-
22 JUSTMENT.—The Secretary may make payments
23 under this part for each quarter on the basis of ad-
24 vance estimates by the State and such other inves-
25 tigation as the Secretary may find necessary, and

1 may reduce or increase the payments as necessary to
 2 adjust for any overpayment or underpayment for
 3 prior quarters.

4 “(3) FLEXIBILITY IN SUBMITTAL OF CLAIMS.—
 5 Nothing in this subsection shall be construed as pre-
 6 venting a State from claiming as expenditures in the
 7 quarter expenditures that were incurred in a pre-
 8 vious quarter.

9 “(b) AUTHORITY FOR BLENDED RATE FOR HEALTH
 10 SECURITY, MEDICAID, AND SCHIP FUNDS.—The Sec-
 11 retary shall establish procedures for blending the pay-
 12 ments that a State is entitled to receive under this title,
 13 title XIX, and title XXI into 1 payment rate if—

14 “(1) the State requests such a blended pay-
 15 ment; and

16 “(2) the Secretary finds that the State meets
 17 maintenance of effort requirements established by
 18 the Secretary.

19 “(c) LIMITATIONS ON FEDERAL PAYMENTS BASED
 20 ON COST CONTAINMENT.—

21 “(1) DETERMINATION OF BASELINE.—Each
 22 year (beginning with 2001), the Secretary shall es-
 23 tablish a baseline projection for the national rate of
 24 growth in private health insurance premiums for
 25 such year.

1 “(2) REQUIREMENT.—Beginning with fiscal
 2 year 2002 and each fiscal year thereafter, any pay-
 3 ment made to a State under section 2204 shall not
 4 exceed the amount paid to the State under such sec-
 5 tion for the preceding fiscal year, adjusted for
 6 changes in enrollment and a premium inflation ad-
 7 justment that is 0.5 percent below the baseline pro-
 8 jection determined under paragraph (1) for the year.

9 “(d) OTHER LIMITATIONS ON USE OF FUNDS.—

10 “(1) IN GENERAL.—A State participating under
 11 part A, and, effective January 1, 2005, all States
 12 under part B, shall ensure that any payments re-
 13 ceived by the State under section 2205 or 2116(a)
 14 are not used by any individual or entity, including
 15 providers or health plans that contract to provide
 16 services herein, to finance directly or indirectly, or to
 17 otherwise facilitate expenditures to influence health
 18 care workers of such individual or entity with re-
 19 spect to issues related to unionization.

20 “(2) CONSTRUCTION.—Nothing in this sub-
 21 section shall be construed to limit expenditures made
 22 for the purpose of good faith collective bargaining or
 23 pursuant to the terms of a bona fide collective bar-
 24 gaining agreement.

1 “(e) WAIVER OF FEDERAL REQUIREMENTS.—A
 2 State may request (and the Secretary may grant) a waiver
 3 of any provision of Federal law that the State determines
 4 is necessary in order to carry out an approved expansion
 5 phase (phase I) plan under this part.

6 “(f) REPORT.—Not later than January 1, 2002, and
 7 each January 1 thereafter, the Secretary, in consultation
 8 with the General Accounting Office and the Congressional
 9 Budget Office, shall prepare and submit to the appro-
 10 priate committees of Congress a report on the number of
 11 States receiving payments under this part for the year for
 12 which the report is being prepared as well as the level of
 13 insurance coverage attained by each such State.

14 **“SEC. 2206. DEFINITIONS.**

15 “In this title:

16 “(1) COST-SHARING.—The term ‘cost-sharing’
 17 has the meaning given such term under the Federal
 18 Employees Health Benefits Program standard Blue
 19 Cross/Blue Shield preferred provider option service
 20 benefit plan described in and offered under section
 21 8903(1) of part 5, United States Code, and includes
 22 deductibles, copayments, coinsurance, as such terms
 23 are defined for purposes of such plan.

24 “(2) ELIGIBLE RESIDENTS OF A STATE.—

1 “(A) IN GENERAL.—The term ‘eligible
2 residents of a State’ means an individual or
3 family who—

4 “(i) is (or consists of) a resident of
5 the State involved;

6 “(ii) except as provided in subpara-
7 graph (B), has a family income that does
8 not exceed 300 percent of the poverty line;

9 “(iii) is (or consists of) a citizen of
10 the United States, a legal resident alien, or
11 an individual otherwise residing in the
12 United States under the authority of Fed-
13 eral law; and

14 “(iv) in the case of an individual, is
15 not eligible for benefits under the medicare
16 program under title XVIII or for medical
17 assistance under the medicaid program
18 under title XIX (other than under the ap-
19 plication of section
20 1902(a)(10)(A)(ii)(XIV)).

21 “(B) OPTION TO PROVIDE COVERAGE FOR
22 INDIVIDUALS AND FAMILIES WITH HIGHER IN-
23 COME.—If approved by the Secretary, a State
24 may increase the percentage described in sub-
25 paragraph (A)(ii), or eliminate all income eligi-

1 bility criteria in order to provide coverage under
2 this part to more individuals and families.

3 “(3) EXPANSION PHASE (PHASE I) PLAN.—The
4 term ‘expansion phase (phase I) plan’ means the
5 State universal health insurance coverage plan sub-
6 mitted under section 2201(b).

7 “(4) HEALTH CARE SERVICES.—The term
8 ‘health care services’ includes medical, surgical,
9 mental health, and substance abuse services, wheth-
10 er provided on an in-patient or outpatient basis.

11 “(5) HEALTH CARE WORKER.—The term
12 ‘health care worker’ means an individual employed
13 by an employer that provides—

14 “(A) health care services; or

15 “(B) necessary related services, including
16 administrative, food service, janitorial, or main-
17 tenance service to an entity that provides such
18 health care services.

19 “(6) HEALTH PLAN.—The term ‘health plan’
20 includes health insurance coverage, as defined in sec-
21 tion 2791(b)(1) of the Public Health Service Act (42
22 U.S.C. 300gg–91(b)(1)) and group health plans, as
23 defined in section 2791(a) of such Act (42 U.S.C.
24 300gg91(b)(1)).

1 “(7) MENTAL HEALTH AND SUBSTANCE ABUSE
2 TREATMENT BENEFITS PARITY.—

3 “(A) IN GENERAL.—The term ‘mental
4 health and substance abuse treatment benefits
5 parity’ means the same level of parity for such
6 benefits as is required under the Federal Em-
7 ployees Health Benefits Program standard Blue
8 Cross/Blue Shield preferred provider option
9 service benefit plan, described in and offered
10 under section 8903(1) of part 5, United States
11 Code, as of January 1, 2001.

12 “(B) EXCEPTION.—Notwithstanding sub-
13 paragraph (A), there shall be no limit on parity
14 benefits for patients who do not substantially
15 follow their treatment plans unless such limits
16 also are imposed on all medical and surgical
17 benefits.

18 “(8) POVERTY LINE.—The term ‘poverty line’
19 has the meaning given such term in section 673(2)
20 of the Community Services Block Grant Act (42
21 U.S.C. 9902(2)), including any revision required by
22 such section.

23 “(9) PREMIUM.—The term ‘premium’ includes
24 any enrollment fees and other similar charges.

1 “(10) QUALIFIED PLAN.—The term ‘qualified
2 plan’ means a health plan that satisfies the coverage
3 requirements described under section 2203 and par-
4 ticipates in an expansion phase (phase I) plan.”.

5 **TITLE II—HEALTH SECURITY**
6 **FOR ALL AMERICANS—UNI-**
7 **VERSAL PHASE (PHASE II)**

8 **SEC. 201. UNIVERSAL PHASE (PHASE II) STATE UNIVERSAL**
9 **HEALTH INSURANCE COVERAGE PLANS.**

10 Title XXII of the Social Security Act, as added by
11 section 101, is amended by adding at the end the fol-
12 lowing:

13 **“PART B—UNIVERSAL PHASE (PHASE II) PLANS**

14 **“SEC. 2211. PURPOSE; MANDATORY STATE PLANS.**

15 “(a) PURPOSE.—The purposes of this part are to—

16 “(1) require States to establish and implement
17 State-administered systems to ensure universal
18 health insurance coverage; and

19 “(2) provide funds to States for the establish-
20 ment and implementation of such systems.

21 “(b) UNIVERSAL PHASE (PHASE II) PLAN RE-
22 QUIRED.—

23 “(1) IN GENERAL.—Except as provided in para-
24 graph (2), not later than January 1, 2004, a State
25 shall submit to the Secretary a plan that sets forth

1 how the State intends to use the funds provided
 2 under this part to ensure universal, affordable, and
 3 comprehensive health insurance coverage to eligible
 4 residents of the State consistent with the provisions
 5 of this part.

6 “(2) STATES WITH PHASE I PLANS.—

7 “(A) IN GENERAL.—Not later than Janu-
 8 ary 1, 2004, a State with a phase I State plan
 9 shall submit an addendum to such plan that
 10 provides assurances to the Secretary that such
 11 plan conforms to the requirements of this part.

12 “(B) CONVERSION TO UNIVERSAL PHASE
 13 (PHASE II) PLAN.—If an addendum to an ex-
 14 pansion phase (phase I) plan is approved by the
 15 Secretary—

16 “(i) the plan shall be automatically
 17 converted to a universal phase (phase II)
 18 plan; and

19 “(ii) section 2214 and any provision
 20 of part A that is inconsistent with this
 21 part shall not apply to the plan.

22 “(3) FAILURE TO SUBMIT PLAN OR ADDEN-
 23 DUM.—If a State fails to submit a plan as required
 24 in paragraph (1) (or an addendum as required in
 25 paragraph (2)), or fails to have such plan or adden-

1 dum approved by the Secretary, such State shall be
 2 in violation of this part; and any residents of such
 3 a State may bring a cause of action against the
 4 State in Federal district court to require the State
 5 to comply with the provisions of this part.

6 **“SEC. 2212. PLAN REQUIREMENTS.**

7 “(a) IN GENERAL.—A universal phase (phase II)
 8 plan shall include a description, consistent with the re-
 9 quirements of this part, of the following:

10 “(1) DETAILS OF THE UNIVERSAL PHASE
 11 (PHASE II) PLAN.—The activities that the State in-
 12 tends to carry out using funds received under this
 13 part to ensure that all eligible residents of the State
 14 have access to the coverage provided under this part,
 15 including how the State will coordinate efforts under
 16 the program under this part with existing State ef-
 17 forts to increase to 100 percent the health insurance
 18 coverage of eligible residents of the State by Janu-
 19 ary 1, 2006.

20 “(2) REQUIREMENTS FOR EMPLOYERS.—The
 21 manner in which the State will ensure that employ-
 22 ers within the State will comply with the require-
 23 ments of section 2214.

24 “(3) PART A PROVISIONS.—The following provi-
 25 sions apply to a universal phase (phase II) plan

1 under this part in the same manner as such provi-
2 sions apply to an expansion phase (phase I) plan
3 under part A:

4 “(A) STATE OUTREACH PROGRAMS; AC-
5 CESS.—Section 2202(a)(4).

6 “(B) ASSURANCE OF COVERAGE OF ESSEN-
7 TIAL SERVICES.—Section 2202(a)(5).

8 “(C) REPRESENTATION ON BOARDS AND
9 COMMISSIONS.—Section 2202(a)(6).

10 “(D) DISCLOSURE OF INFORMATION TO
11 THE PUBLIC.—Section 2202(a)(7).

12 “(E) CONSUMER PROTECTIONS AND WORK-
13 FORCE STANDARDS.—Section 2202(a)(8).

14 “(F) PUBLIC REVIEW.—Section
15 2202(a)(9).

16 “(G) SERVICES IN RURAL AND UNDER-
17 SERVED AREAS; CULTURAL COMPETENCY.—Sec-
18 tion 2202(a)(10).

19 “(H) PURCHASING POOLS.—Section
20 2202(a)(11).

21 “(I) LIMITATION ON ADMINISTRATIVE EX-
22 PENDITURES.—Section 2202(a)(12).

23 “(J) SELF-EMPLOYED AND MULTI-
24 EMPLOYED.—Section 2202(a)(13).

1 “(K) MEDICAID WRAPAROUND COV-
2 ERAGE.—Section 2202(a)(14).

3 “(4) OTHER MATTERS.—Any other matter de-
4 termined appropriate by the Secretary.

5 “(b) PERMISSIBLE ACTIVITIES.—A State may use
6 amounts provided under this part for any activities con-
7 sistent with this part that are appropriate to enroll indi-
8 viduals in health plans to ensure that all eligible residents
9 of the State are provided coverage under this part, includ-
10 ing through the use of direct payments to health plans
11 or providers of services.

12 “(c) COST CONTAINMENT; COMPETITIVE BIDDING.—
13 Notwithstanding subsection (b), State purchasing pools
14 shall solicit bids from health plans at least annually.

15 “(d) PROCESS FOR SUBMISSION, APPROVAL, AND
16 AMENDMENT OF UNIVERSAL PHASE (PHASE II) PLAN.—
17 Section 2106 applies to a universal phase (phase II) plan
18 under this part in the same manner as such section applies
19 to a State plan under title XXI, except that no universal
20 phase (phase II) plan may be effective earlier than Janu-
21 ary 1, 2005, and all such plans must be submitted for
22 approval by not later than January 1, 2004.

1 **“SEC. 2213. COVERAGE REQUIREMENTS FOR UNIVERSAL**
 2 **PHASE (PHASE II) PLANS.**

3 “(a) REQUIRED SCOPE OF HEALTH INSURANCE COV-
 4 ERAGE.—Section 2203(a) applies to a universal phase
 5 (phase II) plan under this part.

6 “(b) UNIVERSAL COVERAGE.—All States shall ensure
 7 that by January 1, 2006, 100 percent of eligible residents
 8 of the State have health insurance coverage that meets
 9 the requirements of section 2203(a).

10 “(c) LIMITATIONS ON PREMIUMS AND COST-SHAR-
 11 ING.—Section 2203(b) applies to a universal phase (phase
 12 II) plan under this part.

13 “(d) APPLICATION OF CERTAIN REQUIREMENTS.—
 14 Section 2203(c) applies to a universal phase (phase II)
 15 plan under this part.

16 **“SEC. 2214. REQUIREMENTS FOR EMPLOYERS REGARDING**
 17 **THE PROVISION OF BENEFITS.**

18 “(a) REQUIREMENTS.—Subject to subsection
 19 (c)(2)(B), an employer in a State shall comply with the
 20 following requirements:

21 “(1) EMPLOYERS WITH LESS THAN 500 EM-
 22 PLOYEES.—

23 “(A) IN GENERAL.—An employer with less
 24 than 500 employees shall enroll each employee
 25 in a State-designated purchasing pool.

26 “(B) CONTRIBUTIONS.—

1 “(i) IN GENERAL.—Notwithstanding
 2 subparagraph (A) and subject to clause
 3 (ii), the employer shall make a contribution
 4 on behalf of each employee for health in-
 5 surance coverage that is equal to at least
 6 80 percent of the total premiums for such
 7 coverage for employees and their families if
 8 the employee elects dependent coverage.

9 “(ii) LIMITATION.—An employer shall
 10 not be liable under subparagraph (B) for
 11 more than 10 percent of each employee’s
 12 annual wages.

13 “(2) EMPLOYERS WITH AT LEAST 500 EMPLOY-
 14 EES.—

15 “(A) IN GENERAL.—An employer with at
 16 least 500 employees, a majority of whose wages
 17 fall below an amount equal to 300 percent of
 18 the poverty line applicable to a family of the
 19 size involved, shall comply with the require-
 20 ments applicable to an employer under para-
 21 graph (1).

22 “(B) OTHER EMPLOYERS.—

23 “(i) IN GENERAL.—An employer with
 24 at least 500 employees that is not de-

scribed in subparagraph (A) shall, at the
option of the employer, either—

“(I) comply with the require-
ments applicable to an employer
under paragraph (1); or

“(II) provide health insurance
coverage to all employees and their
families (if the employee elects de-
pendent coverage) that meets the re-
quirements of section 2213 and the
employer contribution required under
paragraph (1)(B).

“(ii) ADDITIONAL EMPLOYER CON-
TRIBUTION.—An employer that elects to
comply with clause (i)(I) shall contribute
an additional 1 percent of payroll into the
State-designated purchasing pool in which
it participates.

“(3) RULE OF CONSTRUCTION.—Nothing in
this title shall be construed as prohibiting a labor or-
ganization from collectively bargaining for an em-
ployer contribution that is greater than the contribu-
tion that is required under paragraph (1)(B) or, as
applicable, for health insurance benefits that are

1 greater than the coverage required under paragraph
 2 section 2203(a).

3 “(4) PART-TIME EMPLOYEES.—An employer
 4 shall be responsible for meeting the requirements
 5 under this subsection for all employees of the em-
 6 ployer.

7 “(5) MULTIEMPLOYER FAMILIES.—In the case
 8 of a family with more than 1 employer, the employ-
 9 ers of individuals within the family shall apportion
 10 their contributions in accordance with rules estab-
 11 lished by the State.

12 “(b) NONAPPLICABILITY.—This section shall not
 13 apply—

14 “(1) to any State that establishes a single
 15 payor system; or

16 “(2) to any State that established a universal
 17 phase (phase II) plan through an approved adden-
 18 dum to an expansion phase (phase I) plan.

19 “(c) PRIVATE CAUSE OF ACTION.—

20 “(1) LIABILITY.—An employer that fails to
 21 comply with the requirements of subsection (a) or
 22 otherwise takes adverse action against an employee
 23 for the purpose of interfering with the attainment of
 24 any right to which the employee may be entitled to

1 under this title, shall be liable to the employee af-
2 fected.

3 “(2) AMOUNT.—The amount of the liability de-
4 scribed in paragraph (1) shall be an amount equal
5 to—

6 “(A) the contributions that otherwise
7 would have been made by the employer on be-
8 half of the employee under this section;

9 “(B) an additional amount as liquidated
10 damages; and

11 “(C) consequential damages for reasonably
12 foreseeable injuries resulting from such action.

13 “(3) JURISDICTION; EQUITABLE RELIEF.—

14 “(A) JURISDICTION.—An action under this
15 subsection may be maintained against any em-
16 ployer in any Federal or State court of com-
17 petent jurisdiction by any 1 or more employees.

18 “(B) EQUITABLE RELIEF.—In addition to
19 the damages described in paragraph (2), a
20 court may enjoin any act or practice that vio-
21 lates this title.

22 “(4) ATTORNEY’S FEES.—If a plaintiff or plain-
23 tiffs prevail in an action brought under this sub-
24 section, the court shall, in addition to any judgment
25 awarded to the plaintiff or plaintiffs, award the rea-

1 sonable attorney’s fees and costs associated with the
 2 bringing of the action.

3 **“SEC. 2215. ALLOTMENTS.**

4 “(a) STATE ALLOTMENTS.—Subsections (a) and (b)
 5 of section 2204 apply to a universal phase (phase II) plan
 6 under this part in the same manner as such subsections
 7 apply to an expansion phase (phase I) plan under part
 8 A.

9 “(b) SPECIAL RULE FOR EXPANSION PHASE (PHASE
 10 I) PLANS.—A State that operated an expansion phase
 11 (phase I) plan and converted such plan to a universal
 12 phase (phase II) plan pursuant to section 2211(b)(2)(B)
 13 shall continue to be eligible for the enhanced Federal par-
 14 ticipation rate determined under section 2204(c).

15 “(c) GRANTS TO INDIAN TRIBES, NATIVE HAWAIIAN
 16 ORGANIZATIONS, AND ALASKA NATIVE ORGANIZA-
 17 TIONS.—Section 2204(d) applies to a universal phase
 18 (phase II) plan under this part.

19 “(d) APPROPRIATION.—

20 “(1) IN GENERAL.—Out of any funds in the
 21 Treasury not otherwise appropriated, there is appro-
 22 priated to carry out this title such sums as may be
 23 necessary for fiscal year 2005 and each fiscal year
 24 thereafter.

1 “(2) BUDGET AUTHORITY.—Paragraph (1) con-
 2 stitutes budget authority in advance of appropria-
 3 tions Acts and represents the obligation of the Fed-
 4 eral Government to provide States, Indian tribes,
 5 Native Hawaiian organizations, and Alaska Native
 6 organizations with the allotments determined under
 7 this section and the grants for administrative and
 8 outreach activities under section 2205(a)(1)(B) (as
 9 applied to this part under section 2216(a)).

10 **“SEC. 2216. ADMINISTRATION; DEFINITIONS.**

11 “(a) ADMINISTRATION.—The provisions of section
 12 2205 (other than subsection (c) of such section) apply to
 13 a universal phase (phase II) plan under this part in the
 14 same manner as such provisions apply to an expansion
 15 phase (phase I) plan under part A.

16 “(b) DEFINITIONS.—

17 “(1) APPLICATION OF SECTION 2206.—The defi-
 18 nitions set forth in section 2206 apply to a universal
 19 phase (phase II) plan under this part in the same
 20 manner as such provisions apply to an expansion
 21 phase (phase I) plan under part A except that for
 22 purposes of this part, the definition of ‘eligible resi-
 23 dents of a State’ set forth in section 2206(2) shall
 24 be applied without regard to subparagraphs (A)(ii)
 25 and (B).

1 “(2) UNIVERSAL PHASE (PHASE II) PLAN.—In
 2 this title, the term ‘universal phase (phase II) plan’
 3 means the State universal health insurance coverage
 4 plan submitted under section 2211(b).”.

5 **SEC. 202. CONSUMER PROTECTIONS.**

6 Title XXII of the Social Security Act, as amended
 7 by section 201, is amended by adding at the end the fol-
 8 lowing:

9 **“PART C—CONSUMER PROTECTIONS**

10 **“SEC. 2221. HOME CARE STANDARDS.**

11 “In order to ensure that home care services are pro-
 12 vided in a consumer-directed manner, a State partici-
 13 pating under part A, and, effective January 1, 2005, all
 14 States under part B, shall satisfy the Secretary that any
 15 health plan that provides home care services under this
 16 title creates, or contracts with, a viable entity other than
 17 the consumer or individual provider to provide effective
 18 billing, payments for services, tax withholding, unemploy-
 19 ment insurance, and workers compensation coverage, and
 20 to serve as the statutory employer of the home care pro-
 21 vider. Recipients of such services shall retain the right to
 22 independently select, hire, terminate, and direct the work
 23 of the home care provider.

1 **“SEC. 2222. CONSUMER PROTECTION IN THE EVENT OF**
 2 **TERMINATION OR SUSPENSION OF SERVICES.**

3 “A State participating under part A, and, effective
 4 January 1, 2005, all States under part B, shall satisfy
 5 the Secretary that any health plan providing services
 6 under this title shall ensure that enrollees will receive con-
 7 tinued health services in the event that the plan’s health
 8 care services are terminated or suspended, including as
 9 the result of the plan filing for bankruptcy relief under
 10 title 11, United States Code, or the failure of the plan
 11 to provide payments to providers, lockouts, work stop-
 12 pages, or other labor management problems.

13 **“SEC. 2223. CONSUMER PROTECTION THROUGH DISCLO-**
 14 **SURE OF INFORMATION.**

15 “(a) IN GENERAL.—A State participating under part
 16 A, and, effective January 1, 2005, all States under part
 17 B, shall satisfy the Secretary that any health care provider
 18 that provides services to individuals under this title shall
 19 provide to the State information regarding the identity,
 20 employment location, and qualifications of health care
 21 workers providing services under—

22 “(1) the licensure of the provider; or

23 “(2) a contract between the provider and a
 24 health plan or the State.

1 “(b) AVAILABILITY TO PUBLIC.—A health care pro-
 2 vider shall make the information described in subsection
 3 (a) available to the public.”.

4 **“SEC. 2224. CONSUMER PROTECTION THROUGH NOTICE OF**
 5 **CHANGES IN HEALTH CARE DELIVERY.**

6 “A State participating under part A, and, effective
 7 January 1, 2005, all States under part B, shall describe
 8 how the State will provide, at a minimum, the following
 9 protections:

10 “(1) Adequate advance notice to the public, the
 11 affected health care workers, and labor organizations
 12 representing such workers, of a pending—

13 “(A) facility or operating unit closure;

14 “(B) sale, merger, or consolidation of a fa-
 15 cility or operating unit;

16 “(C) transfer of work from 1 facility or en-
 17 tity to another facility or entity; or

18 “(D) reduction of services.

19 “(2) A right of first refusal for similar vacant
 20 positions with—

21 “(A) the resulting entity, in the case of a
 22 health care worker whose position was elimi-
 23 nated following a merger of the worker’s origi-
 24 nal employer with a new entity; or

1 “(B) the contractor, in the case of a health
2 care worker whose position was eliminated fol-
3 lowing the contracting out of the work the
4 worker formerly performed.”.

5 **TITLE III—PATIENT**
6 **PROTECTIONS**

7 **SEC. 301. INCORPORATION OF CERTAIN PROTECTIONS.**

8 (a) INCORPORATION.—The provisions of the following
9 bills are hereby enacted into law:

10 (1) H.R. 2723 of the 106th Congress (other
11 than section 135(b)), as introduced on August 5,
12 1999.

13 (2) H.R. 137 of the 106th Congress, as intro-
14 duced on January 6, 1999.

15 (b) PUBLICATION.—In publishing this Act in slip
16 form and in the United States Statutes at Large pursuant
17 to section 112, of title 1, United States Code, the Archivist
18 of the United States shall include after the date of ap-
19 proval at the end appendixes setting forth the texts of the
20 bills referred to in subsection (a) of this section.

1 **TITLE IV—HEALTH CARE QUAL-**
 2 **ITY, PATIENT SAFETY, AND**
 3 **WORKFORCE STANDARDS**

4 **SEC. 401. HEALTH CARE QUALITY, PATIENT SAFETY, AND**
 5 **WORKFORCE STANDARDS INSTITUTE.**

6 (a) ESTABLISHMENT.—

7 (1) INSTITUTE.—There is established within
 8 the Agency for Healthcare Research and Quality, an
 9 institute to be known as the Health Care Quality,
 10 Patient Safety, and Workforce Standards Institute
 11 (in this section referred to as the “Institute”).

12 (2) DIRECTOR.—The Secretary of Health and
 13 Human Services shall appoint a director of the Insti-
 14 tute. The director shall administer the Institute and
 15 carry out the duties of the director under this sec-
 16 tion subject to the authority, direction, and control
 17 of the Secretary.

18 (b) MISSION.—The mission of the Institute is to—

19 (1) demonstrate how patient safety issues and
 20 workplace conditions are linked to quality patient
 21 care and the reduction of the incidence of medical
 22 errors; and

23 (2) reduce the incidence of medical errors and
 24 improve patient safety and quality of care.

1 (c) DUTIES.—In carrying out the mission of the In-
2 stitute, the director of the Institute shall—

3 (1) work closely with the director of the Agency
4 for Healthcare Research and Quality to ensure that
5 issues related to workplace conditions are reflected
6 in the activities conducted by such agency in order
7 to reduce the incidence of medical errors and im-
8 prove patient safety and quality of care, including—

9 (A) the establishment of national goals;

10 (B) the development and implementation
11 of a research agenda;

12 (C) the development and promotion of best
13 practices;

14 (D) the development of performance and
15 staffing standards in consultation with the
16 Health Care Financing Administration and
17 other Federal agencies, as appropriate; and

18 (E) the development and dissemination of
19 information, educational and training materials,
20 and other criteria as it relates to the delivery of
21 quality care;

22 (2) provide recommendations to the Secretary
23 of Health and Human Services and other Federal
24 agencies with responsibility for health care quality
25 and the development of standards that impact on

1 the delivery of quality patient care on standards re-
 2 lated to workplace conditions and patient safety;

3 (3) support the activities of the Health Care Fi-
 4 nancing Administration related to the development
 5 of new or revised conditions of participation under
 6 the medicare and medicaid programs and subsequent
 7 rulemaking on issues related to workplace condi-
 8 tions, medical errors, and patient safety and quality
 9 of care; and

10 (4) conduct other activities determined appro-
 11 priate by the director of the Institute.

12 (d) WORKPLACE CONDITIONS.—For purposes of this
 13 section, the term “workplace conditions” shall include
 14 issues related to—

15 (1) health care worker staffing;

16 (2) hours of work;

17 (3) confidentiality and whistleblower protec-
 18 tions;

19 (4) employee participation in decisionmaking
 20 roles that contribute to improved quality of care and
 21 the reduction of the incidence of medical errors;

22 (5) workforce training; and

23 (6) the impact of health care delivery restruc-
 24 turing on communities and health care workers.

25 (e) DEFINITION OF HEALTH CARE WORKER.—

1 (1) IN GENERAL.—In this section, the term
 2 “health care worker” means an individual employed
 3 by an employer that provides—

4 (A) health care services; or

5 (B) necessary related services, including
 6 administrative, food service, janitorial, or main-
 7 tenance service to an entity that provides such
 8 health care services.

9 (2) HEALTH CARE SERVICES.—In paragraph
 10 (1), the term “health care services” includes med-
 11 ical, surgical, mental health, and substance abuse
 12 services, whether provided on an in-patient or out-
 13 patient basis.

14 (f) AUTHORIZATION OF APPROPRIATIONS.—There
 15 are authorized to be appropriated to the Institute such
 16 sums as may be necessary to carry out the purposes of
 17 this section.

18 **SEC. 402. HEALTH CARE QUALITY, PATIENT SAFETY, AND**
 19 **WORKFORCE STANDARDS ADVISORY COM-**
 20 **MITTEE.**

21 (a) ESTABLISHMENT OF COMMITTEE.—There is es-
 22 tablished a Health Care Quality, Patient Safety, and
 23 Workforce Standards Committee (in this section referred
 24 to as the “Committee”).

25 (b) FUNCTIONS OF COMMITTEE.—

1 (1) ADVICE TO INSTITUTE.—The Committee
2 shall provide advice to the Director of the Health
3 Care Quality, Patient Safety, and Workforce Stand-
4 ards Institute established under section 401 on
5 issues related to the duties of the Director.

6 (2) INITIAL REPORT.—Not later than December
7 31, 2001, the Committee shall submit an initial re-
8 port to the Secretary that contains—

9 (A) recommendations regarding minimal
10 workforce standards that are critical for im-
11 proved health care quality and patient safety;
12 and

13 (B) recommendations regarding additional
14 ways to reduce the incidence of medical errors
15 and to improve patient safety and quality of
16 care.

17 (3) FINAL REPORT.—Not later than December
18 31, 2002, the Committee shall submit a final report
19 to the Secretary of Health and Human Services re-
20 garding the recommendations contained in the initial
21 report required under paragraph (2), including any
22 modifications of such recommendations.

23 (c) STRUCTURE AND MEMBERSHIP OF THE COM-
24 MITTEE.—

1 (1) STRUCTURE.—The Committee shall be com-
2 posed of the Director of the Health Care Quality,
3 Patient Safety, and Workforce Standards Institute
4 established under section 401 and 15 additional
5 members who shall be appointed by the Secretary of
6 Health and Human Services.

7 (2) MEMBERSHIP.—

8 (A) IN GENERAL.—The members of the
9 Committee shall be chosen on the basis of their
10 integrity, impartiality, and good judgment, and
11 shall be individuals who are, by reason of their
12 education, experience, and attainments, excep-
13 tionally qualified to perform the duties of mem-
14 bers of the Committee.

15 (B) SPECIFIC MEMBERS.—In making ap-
16 pointments under paragraph (1), the Secretary
17 of Health and Human Services shall ensure
18 that the following groups are represented:

19 (i) Health care providers and health
20 care workers, including labor unions rep-
21 resenting health care workers.

22 (ii) Consumer organizations.

23 (iii) Health care institutions.

24 (iv) Health education organizations.

1 (d) CHAIRMAN.—The Director of the Health Care
 2 Quality, Patient Safety, and Workforce Standards Insti-
 3 tute established under section 401 shall chair the Com-
 4 mittee.

5 **TITLE V—IMPROVING MEDICARE** 6 **BENEFITS**

7 **SEC. 501. FULL MENTAL HEALTH AND SUBSTANCE ABUSE** 8 **TREATMENT BENEFITS PARITY.**

9 Notwithstanding any provision of title XVIII of the
 10 Social Security Act (42 U.S.C. 1395 et seq.), beginning
 11 January 1, 2001, each individual who is entitled to bene-
 12 fits under part A or enrolled under part B of the medicare
 13 program, including an individual enrolled in a
 14 Medicare+Choice plan offered by a Medicare+Choice or-
 15 ganization under part C of such program, shall be pro-
 16 vided full mental health and substance abuse treatment
 17 parity under the medicare program established under such
 18 title of such Act consistent with title XXII of the Social
 19 Security Act (as added by this Act).

20 **SEC. 502. STUDY AND REPORT REGARDING ADDITION OF** 21 **PRESCRIPTION DRUG BENEFIT.**

22 Not later than January 1, 2003, the Director of the
 23 Institute of Medicine shall study and report to Congress
 24 and the President legislative recommendations for adding
 25 a comprehensive, accessible, and affordable prescription

1 drug benefit to the medicare program established under
 2 title XVIII of the Social Security Act (42 U.S.C. 1395
 3 et seq.).

4 **TITLE VI—LONG-TERM AND** 5 **HOME HEALTH CARE**

6 **SEC. 601. STUDIES AND DEMONSTRATION PROJECTS TO** 7 **IDENTIFY MODEL PROGRAMS.**

8 The Secretary of Health of Human Services shall—

9 (1) conduct studies and demonstration projects,
 10 through grant, contract, or interagency agreement,
 11 that are designed to identify model programs for the
 12 provision of long-term and home health care serv-
 13 ices;

14 (2) report regularly to Congress on the results
 15 of such studies and demonstration projects; and

16 (3) include in such report any recommendations
 17 for legislation to expand or continue such studies
 18 and projects.

19 **TITLE VII—MISCELLANEOUS**

20 **SEC. 701. NONAPPLICATION OF ERISA.**

21 The provisions of section 514 of the Employee Retire-
 22 ment Income Security Act of 1974 (29 U.S.C. 1144) shall
 23 not apply with respect to health benefits provided under
 24 a group health plan (as defined in section 733(a) of that
 25 Act (29 U.S.C. 1191b(a))) qualified to offer such benefits

1 under an expansion phase (phase I) plan under title XXII
2 of the Social Security Act (as added by this Act) or under
3 a universal phase (phase II) plan under such title.

4 **SEC. 702. SENSE OF CONGRESS REGARDING OFFSETS.**

5 It is the sense of Congress that any sums necessary
6 for the implementation of this Act, and the amendments
7 made by this Act, should be offset by—

8 (1) general revenues available as a result of an
9 on-budget surplus for a fiscal year;

10 (2) direct savings in health care expenditures
11 resulting from the implementation of this Act; and

12 (3) reductions in unnecessary Federal tax bene-
13 fits available only to individuals and large corpora-
14 tions that are in the maximum tax brackets.

○