

15

AMENDMENT

H.R. to 3962

OFFERED BY MR. FORBES OF VIRGINIA

[AHCAA_001]

At the end of subtitle E of title V of division C (relating to public health and workforce development), insert the following new section:

1 **SEC. 2593. RIGHT OF REINSTATEMENT FOR HEALTH INSUR-**
2 **ANCE COVERAGE TERMINATED BY REASON**
3 **OF NONPAYMENT OF PREMIUMS.**

4 (a) GROUP HEALTH INSURANCE COVERAGE.—Part
5 3 of subtitle A of title XXVII of the Public Health Service
6 Act is amended by adding at the end the following new
7 section:

8 **“SEC. 2714. RIGHT OF REINSTATEMENT FOR GROUP**
9 **HEALTH INSURANCE COVERAGE TERMI-**
10 **NATED BY REASON OF NONPAYMENT OF PRE-**
11 **MIUMS.**

12 “(a) IN GENERAL.—If a health insurance issuer of-
13 fering group health insurance coverage in connection with
14 a group health plan cancels or does not renew the coverage
15 by reason of nonpayment of premiums, the issuer—

16 “(1) shall provide, during the 14-day period be-
17 ginning on the date of such cancellation or non-re-

1 newal, written notice to the administrator of the
2 plan and to each participant receiving such coverage
3 under the plan of the cancellation or non-renewal of
4 the coverage, of the reason for such cancellation or
5 non-renewal, and of the right of reinstatement pro-
6 vided under paragraph (2); and

7 “(2) shall reinstate the coverage as if the cov-
8 erage had not lapsed if the premiums due, and such
9 reasonable administrative fee as the State regulating
10 such coverage may specify, are paid to the issuer by
11 not later than 60 days after the date the cancella-
12 tion or non-renewal would otherwise have become ef-
13 fective.

14 “(b) RELATION TO STATE LAW.—Nothing in this
15 title shall be construed as preventing a State from pro-
16 viding for—

17 “(1) reinstatement of lapsed group health in-
18 surance coverage in a case not described in sub-
19 section (a); or

20 “(2) reinstatement of coverage after a period of
21 nonpayment of longer than that specified in such
22 subsection.”.

23 (b) INDIVIDUAL HEALTH INSURANCE COVERAGE.—
24 Such Act is amended by inserting after section 2753 the
25 following new section:

1 **"SEC. 2754. RIGHT OF REINSTATEMENT FOR HEALTH IN-**
2 **SURANCE COVERAGE TERMINATED BY REA-**
3 **SON OF NONPAYMENT OF PREMIUMS.**

4 “(a) APPLICATION OF RULES.—The provisions of
5 section 2714 shall apply to health insurance coverage of-
6 fered by a health insurance issuer in the individual market
7 in the same manner as they apply to health insurance cov-
8 erage offered by a health insurance issuer in connection
9 with a group health plan.

10 “(b) APPLICATION TO COVERAGE OBTAINED
11 THROUGH AN ASSOCIATION OR ORGANIZATION.—In ap-
12 plying subsection (a), if—

13 “(1) such health insurance coverage is offered
14 through an association or other organization;

15 “(2) the association or organization is respon-
16 sible for payment of the premium for such coverage;
17 and

18 “(3) the association or organization fails to
19 make payment of such premium,

20 the issuer shall provide the required notice both to the as-
21 sociation or organization and to the individuals whose cov-
22 erage is affected by such non-payment and repayment of
23 premiums owed may be made by either the association or
24 such individuals.”.

25 “(c) EFFECTIVE DATES.—

1 (1) GROUP HEALTH INSURANCE.—The amend-
2 ment made by subsection (a) shall apply to group
3 health insurance coverage offered for plans years be-
4 ginning on or after 1 year after the date of the en-
5 actment of this Act.

6 (2) INDIVIDUAL HEALTH INSURANCE.—The
7 amendment made by subsection (b) shall apply to in-
8 dividual health insurance coverage as of the date
9 that is 1 year after the date of the enactment of this
10 Act.

