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AMENDMENT TO H.R. 3962

OFFERED BY MR. SHADEGG OF ARIZONA

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Improving Health Care for All Americans Act”.

4 **SEC. 2. EXPANSION OF ACCESS AND CHOICE OF HEALTH**
5 **INSURANCE COVERAGE THROUGH INDI-**
6 **VIDUAL MEMBERSHIP ASSOCIATIONS.**

7 The Public Health Service Act is amended by adding
8 at the end the following new title:

9 **“TITLE XXXI—INDIVIDUAL**
10 **MEMBERSHIP ASSOCIATIONS**

11 **“SEC. 3101. DEFINITION OF INDIVIDUAL MEMBERSHIP AS-**
12 **SOCIATION (IMA).**

13 “(a) **IN GENERAL.**—For purposes of this title, the
14 terms ‘individual membership association’ and ‘IMA’
15 mean a legal entity that meets the following requirements:

16 “(1) **ORGANIZATION.**—The IMA is an organiza-
17 tion operated under the direction of an association
18 (as defined in section 3104(1)).

1 “(2) OFFERING HEALTH BENEFITS COV-
2 ERAGE.—

3 “(A) DIFFERENT GROUPS.—The IMA, in
4 conjunction with those health insurance issuers
5 that offer health benefits coverage through the
6 IMA, makes available health benefits coverage
7 in the manner described in subsection (b) to all
8 members of the IMA and the dependents of
9 such members in the manner described in sub-
10 section (c)(2) at rates that are established by
11 the health insurance issuer on a policy or prod-
12 uct specific basis and that may vary only as
13 permissible under State law.

14 “(B) NONDISCRIMINATION IN COVERAGE
15 OFFERED.—

16 “(i) IN GENERAL.—Subject to clause
17 (ii), the IMA may not offer health benefits
18 coverage to a member of an IMA unless
19 the same coverage is offered to all such
20 members of the IMA.

21 “(ii) CONSTRUCTION.—Nothing in
22 this title shall be construed as requiring or
23 permitting a health insurance issuer to
24 provide coverage outside the service area of
25 the issuer, as approved under State law, or

1 requiring a health insurance issuer from
2 excluding or limiting the coverage on any
3 individual, subject to the requirement of
4 section 2741.

5 “(C) NO FINANCIAL UNDERWRITING.—The
6 IMA provides health benefits coverage only
7 through contracts with health insurance issuers
8 and does not assume insurance risk with re-
9 spect to such coverage.

10 “(3) GEOGRAPHIC AREAS.—Nothing in this title
11 shall be construed as preventing the establishment
12 and operation of more than one IMA in a geographic
13 area or as limiting the number of IMAs that may
14 operate in any area.

15 “(4) PROVISION OF ADMINISTRATIVE SERVICES
16 TO PURCHASERS.—

17 “(A) IN GENERAL.—The IMA may provide
18 administrative services for members. Such serv-
19 ices may include accounting, billing, and enroll-
20 ment information.

21 “(B) CONSTRUCTION.—Nothing in this
22 subsection shall be construed as preventing an
23 IMA from serving as an administrative service
24 organization to any entity.

1 “(5) FILING INFORMATION.—The IMA files
2 with the Secretary information that demonstrates
3 the IMA’s compliance with the applicable require-
4 ments of this title.

5 “(b) HEALTH BENEFITS COVERAGE REQUIRE-
6 MENTS.—

7 “(1) COMPLIANCE WITH CONSUMER PROTEC-
8 TION REQUIREMENTS.—Any health benefits coverage
9 offered through an IMA shall—

10 “(A) be underwritten by a health insurance
11 issuer that—

12 “(i) is licensed (or otherwise regu-
13 lated) under State law;

14 “(ii) meets all applicable State stand-
15 ards relating to consumer protection, sub-
16 ject to section 3002(b); and

17 “(B) subject to paragraph (2), be approved
18 or otherwise permitted to be offered under
19 State law.

20 “(2) EXAMPLES OF TYPES OF COVERAGE.—The
21 benefits coverage made available through an IMA
22 may include, but is not limited to, any of the fol-
23 lowing if it meets the other applicable requirements
24 of this title:

1 “(A) Coverage through a health mainte-
2 nance organization.

3 “(B) Coverage in connection with a pre-
4 ferred provider organization.

5 “(C) Coverage in connection with a li-
6 censed provider-sponsored organization.

7 “(D) Indemnity coverage through an insur-
8 ance company.

9 “(E) Coverage offered in connection with a
10 contribution into a medical savings account,
11 health savings account, or flexible spending ac-
12 count.

13 “(F) Coverage that includes a point-of-
14 service option.

15 “(G) Any combination of such types of
16 coverage.

17 “(3) WELLNESS BONUSES FOR HEALTH PRO-
18 MOTION.—Nothing in this title shall be construed as
19 precluding a health insurance issuer offering health
20 benefits coverage through an IMA from establishing
21 premium discounts or rebates for members or from
22 modifying otherwise applicable copayments or
23 deductibles in return for adherence to programs of
24 health promotion and disease prevention so long as
25 such programs are agreed to in advance by the IMA

1 and comply with all other provisions of this title and
2 do not discriminate among similarly situated mem-
3 bers.

4 “(c) MEMBERS; HEALTH INSURANCE ISSUERS.—

5 “(1) MEMBERS.—

6 “(A) IN GENERAL.—Under rules estab-
7 lished to carry out this title, with respect to an
8 individual who is a member of an IMA, the in-
9 dividual may enroll for health benefits coverage
10 (including coverage for dependents of such indi-
11 vidual) offered by a health insurance issuer
12 through the IMA.

13 “(B) RULES FOR ENROLLMENT.—Nothing
14 in this paragraph shall preclude an IMA from
15 establishing rules of enrollment and reenroll-
16 ment of members. Such rules shall be applied
17 consistently to all members within the IMA and
18 shall not be based in any manner on health sta-
19 tus-related factors.

20 “(2) HEALTH INSURANCE ISSUERS.—The con-
21 tract between an IMA and a health insurance issuer
22 shall provide, with respect to a member enrolled with
23 health benefits coverage offered by the issuer
24 through the IMA, for the payment of the premiums
25 collected by the issuer.

1 "SEC. 3102. APPLICATION OF CERTAIN LAWS AND REQUIRE-
2 MENTS.

3 "State laws insofar as they relate to any of the fol-
4 lowing are superseded and shall not apply to health bene-
5 fits coverage made available through an IMA:

6 "(1) Benefit requirements for health benefits
7 coverage offered through an IMA, including (but not
8 limited to) requirements relating to coverage of spe-
9 cific providers, specific services or conditions, or the
10 amount, duration, or scope of benefits, but not in-
11 cluding requirements to the extent required to imple-
12 ment title XXVII or other Federal law and to the
13 extent the requirement prohibits an exclusion of a
14 specific disease from such coverage.

15 "(2) Any other requirements (including limita-
16 tions on compensation arrangements) that, directly
17 or indirectly, preclude (or have the effect of pre-
18 cluding) the offering of such coverage through an
19 IMA, if the IMA meets the requirements of this
20 title.

21 Any State law or regulation relating to the composition
22 or organization of an IMA is preempted to the extent the
23 law or regulation is inconsistent with the provisions of this
24 title.

1 **“SEC. 3103. ADMINISTRATION.**

2 “(a) IN GENERAL.—The Secretary shall administer
3 this title and is authorized to issue such regulations as
4 may be required to carry out this title. Such regulations
5 shall be subject to Congressional review under the provi-
6 sions of chapter 8 of title 5, United States Code. The Sec-
7 retary shall incorporate the process of ‘deemed file and
8 use’ with respect to the information filed under section
9 3001(a)(5)(A) and shall determine whether information
10 filed by an IMA demonstrates compliance with the applica-
11 ble requirements of this title. The Secretary shall exercise
12 authority under this title in a manner that fosters and
13 promotes the development of IMAs in order to improve
14 access to health care coverage and services.

15 “(b) PERIODIC REPORTS.—The Secretary shall sub-
16 mit to Congress a report every 30 months, during the 10-
17 year period beginning on the effective date of the rules
18 promulgated by the Secretary to carry out this title, on
19 the effectiveness of this title in promoting coverage of un-
20 insured individuals. The Secretary may provide for the
21 production of such reports through one or more contracts
22 with appropriate private entities.

23 **“SEC. 3104. DEFINITIONS.**

24 “‘For purposes of this title:

1 “(1) ASSOCIATION.—The term ‘association’
2 means, with respect to health insurance coverage of-
3 fered in a State, an association that—

4 “(A) has been actively in existence for at
5 least 5 years;

6 “(B) has been formed and maintained in
7 good faith for purposes other than obtaining in-
8 surance;

9 “(C) does not condition membership in the
10 association on any health status-related factor
11 relating to an individual (including an employee
12 of an employer or a dependent of an employee);
13 and

14 “(D) does not make health insurance cov-
15 erage offered through the association available
16 other than in connection with a member of the
17 association.

18 “(2) DEPENDENT.—The term ‘dependent’, as
19 applied to health insurance coverage offered by a
20 health insurance issuer licensed (or otherwise regu-
21 lated) in a State, shall have the meaning applied to
22 such term with respect to such coverage under the
23 laws of the State relating to such coverage and such
24 an issuer. Such term may include the spouse and
25 children of the individual involved.

1 “(3) HEALTH BENEFITS COVERAGE.—The term
2 ‘health benefits coverage’ has the meaning given the
3 term health insurance coverage in section
4 2791(b)(1).

5 “(4) HEALTH INSURANCE ISSUER.—The term
6 ‘health insurance issuer’ has the meaning given such
7 term in section 2791(b)(2).

8 “(5) HEALTH STATUS-RELATED FACTOR.—The
9 term ‘health status-related factor’ has the meaning
10 given such term in section 2791(d)(9).

11 “(6) IMA; INDIVIDUAL MEMBERSHIP ASSOCIA-
12 TION.—The terms ‘IMA’ and ‘individual membership
13 association’ are defined in section 3101(a).

14 “(7) MEMBER.—The term ‘member’ means,
15 with respect to an IMA, an individual who is a mem-
16 ber of the association to which the IMA is offering
17 coverage.”.

18 **SEC. 3. VOUCHER PROGRAM.**

19 The Secretary of Health and Human Services shall
20 use any savings generated by this Act, and the amendment
21 made by this Act, to create a voucher program to assist
22 individuals with the purchase of health care.

