

111TH CONGRESS  
1ST SESSION

# H. R. 3584

To amend the Public Health Service Act to require reinstatement upon payment of all premiums due of group or individual health insurance coverage terminated by reason of nonpayment of premiums.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 16, 2009

Mr. FORBES introduced the following bill; which was referred to the  
Committee on Energy and Commerce

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## A BILL

To amend the Public Health Service Act to require reinstatement upon payment of all premiums due of group or individual health insurance coverage terminated by reason of nonpayment of premiums.

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 “Health Care Consumer  
5 Protection Act of 2009”.

1 **SEC. 2. 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-  
18 newal, written notice to the administrator of the  
19 plan and to each participant receiving such coverage  
20 under the plan of the cancellation or non-renewal of  
21 the coverage, of the reason for such cancellation or  
22 non-renewal, and of the right of reinstatement pro-  
23 vided under paragraph (2); and

24 “(2) shall reinstate the coverage as if the cov-  
25 erage had not lapsed if the premiums due, and such  
26 reasonable administrative fee as the State regulating

1 such coverage may specify, are paid to the issuer by  
2 not later than 60 days after the date the cancella-  
3 tion or non-renewal would otherwise have become ef-  
4 fective.

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

8 “(1) reinstatement of lapsed group health in-  
9 surance coverage in a case not described in sub-  
10 section (a); or

11 “(2) reinstatement of coverage after a period of  
12 nonpayment of longer than that specified in such  
13 subsection.”.

14 (b) INDIVIDUAL HEALTH INSURANCE COVERAGE.—  
15 Such Act is amended by inserting after section 2753 the  
16 following new section:

17 **“SEC. 2754. RIGHT OF REINSTATEMENT FOR HEALTH IN-**  
18 **SURANCE COVERAGE TERMINATED BY REA-**  
19 **SON OF NONPAYMENT OF PREMIUMS.**

20 “(a) APPLICATION OF RULES.—The provisions of  
21 section 2714 shall apply to health insurance coverage of-  
22 fered by a health insurance issuer in the individual market  
23 in the same manner as they apply to health insurance cov-  
24 erage offered by a health insurance issuer in connection  
25 with a group health plan.

1       “(b) APPLICATION TO COVERAGE OBTAINED  
2 THROUGH AN ASSOCIATION OR ORGANIZATION.—In ap-  
3 plying subsection (a), if—

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

6               “(2) the association or organization is respon-  
7 sible for payment of the premium for such coverage;  
8 and

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

11 the issuer shall provide the required notice both to the as-  
12 sociation or organization and to the individuals whose cov-  
13 erage is affected by such non-payment and repayment of  
14 premiums owed may be made by either the association or  
15 such individuals.”.

16       (c) EFFECTIVE DATES.—

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

22               (2) INDIVIDUAL HEALTH INSURANCE.—The  
23 amendment made by subsection (b) shall apply to in-  
24 dividual health insurance coverage as of the date

1       that is 1 year after the date of the enactment of this  
2       Act.

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