

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6400

To amend title XVIII of the Social Security Act to provide for access to health benefits under the Medicare Program for certain individuals 21 to 65 years of age, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 6, 2006

Mr. JEFFERSON introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title XVIII of the Social Security Act to provide for access to health benefits under the Medicare Program for certain individuals 21 to 65 years of age, 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,*

3 **SECTION 1. SHORT TITLE, TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Extended Access to Medicare Benefits Act of 2006”.

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

- Sec. 1. Short title, table of contents.  
 Sec. 2. Findings.  
 Sec. 3. Access to Medicare benefits for certain individuals 21 to 65 years of age.

“PART E—PURCHASE OF MEDICARE BENEFITS BY CERTAIN INDIVIDUALS 21 TO 65 YEARS OF AGE

- “Sec. 1860E–1. Program Benefits; eligibility.  
 “Sec. 1860E–2. Enrollment process; coverage.  
 “Sec. 1860E–3. Premiums.  
 “Sec. 1860E–4. Payment of premiums.  
 “Sec. 1860E–5. Medicare for the uninsured trust fund.  
 “Sec. 1860E–6. Oversight and accountability.  
 “Sec. 1860E–7. Administration and miscellaneous.  
 Sec. 4. Refundable and advanceable income tax credit for certain Medicare premiums for the uninsured.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) According to a 2006 Kaiser Family Foun-  
 4 dation report, over 46 million individuals in the  
 5 United States who are under the age of 65 did not  
 6 have health insurance coverage in 2005, an increase  
 7 of 1.3 million individuals from the year before and  
 8 an increase of over 7 million individuals since 2000.

9 (2) According to a Kaiser Family Foundation  
 10 Health Insurance Survey, in 2004, more than eight  
 11 out of ten individual who were uninsured came from  
 12 working families, almost 70 percent of whom were  
 13 from families with one or more full-time workers and  
 14 11 percent of whom were from families with part-  
 15 time workers. Fifty-three percent of individuals with-  
 16 out health insurance who are poor (defined as hav-  
 17 ing an income of less than 100 percent of the Fed-

1 eral poverty level) have at least one worker in the  
2 family.

3 (3) According to a 2005 Kaiser Family Foun-  
4 dation report, because of the high cost of health in-  
5 surance, the poor and near-poor have the greatest  
6 risk of not have health insurance. The uninsured  
7 rate among the non-elderly poor, which is 36 per-  
8 cent, is twice as high as the national average of un-  
9 insured individuals, which is 18 percent. Were it not  
10 for the Medicaid program, many more of the poor  
11 would be uninsured. The near-poor (those with in-  
12 comes between 100 percent and 199 percent of the  
13 Federal poverty level) also run a high risk of being  
14 uninsured, in part, because they are less likely to be  
15 eligible for Medicaid. Two-thirds of the uninsured  
16 are either poor or near-poor.

17 (4) According to a 2004 Kaiser Family Foun-  
18 dation Health Insurance Survey, adults are more  
19 likely to be uninsured than children. Adults make up  
20 about 70 percent of the nonelderly population, but  
21 make up 80 percent of the uninsured population.  
22 Most low-income children qualify for Medicaid or  
23 SCHIP, but low-income adults under the age of 65  
24 qualify for Medicaid only if they are disabled, preg-  
25 nant, or have dependent children.

1           (5) According to a 2005 Kaiser Family Foun-  
2           dation Health Insurance Survey, more than 60 per-  
3           cent of non-elderly uninsured adults did not attend  
4           college, making them less able to get higher-skilled  
5           jobs that more typically provide health coverage.  
6           Those with less education are also more likely to be  
7           uninsured for longer periods of time.

8           (6) According to a 2005 Kaiser Family Foun-  
9           dation report, minorities are much more likely to be  
10          uninsured than Caucasians. About one-third of His-  
11          panics and Native Americans are uninsured com-  
12          pared to 13 percent of Caucasians are uninsured.  
13          The uninsured rates among African Americans,  
14          which is 21 percent, and among Asian Americans,  
15          which is 19 percent, are also much higher than that  
16          of Caucasians. These differences in rates are only  
17          partly explained by income disparities. Health insur-  
18          ance disparities exist at both lower and higher in-  
19          come levels.

20          (7) According to a 2002 Institute of Medicine  
21          report, 80 percent of the uninsured in the United  
22          States are native or naturalized United States citi-  
23          zens.

24          (8) According to a 2006 Kaiser Family Foun-  
25          dation Health Insurance Survey, 59 percent of unin-

1       sured adults have gone without coverage for a period  
2       of at least two years. Because health insurance is  
3       primarily obtained as an employment benefit, health  
4       coverage can be disrupted when people change jobs.  
5       This, as well as other changes in income and family  
6       composition, can cause temporary gaps in health in-  
7       surance.

8               (9) According to a 2004 Kaiser Family Foun-  
9       dation report, health insurance makes a difference in  
10      whether and when individuals get necessary medical  
11      care, where they get their care, and ultimately, the  
12      health level of individuals. Uninsured adults are far  
13      more likely than insured adults to postpone or forgo  
14      health care altogether and less able to afford pre-  
15      scription drugs or follow through with recommended  
16      treatments. The consequences of reduced access to  
17      health care can be severe, particularly when prevent-  
18      able conditions go undetected.

19              (10) According to a 2004 Kaiser Family Foun-  
20      dation report, anticipating high medical bills, many  
21      of the uninsured are not able to follow recommended  
22      treatment. Over one-third of uninsured adults say  
23      they did not fill a drug prescription in the past year  
24      and over one-third of uninsured adults went without  
25      a recommended medical test or treatment because of

1 the cost of the test or treatment. Insured non-elderly  
2 adults are at least 50 percent more likely than unin-  
3 sured adults to have preventive care such as pap  
4 smears, mammograms, and prostate exams.

5 (11) According to a 2003 Kaiser Family Foun-  
6 dation report, uninsured children also have problems  
7 getting needed health care. Uninsured children are  
8 much more likely than insured children to lack a  
9 usual source of health care, to delay health care, or  
10 to have unmet medical needs. Uninsured children  
11 with common childhood illnesses and injuries often  
12 do not receive the same level of care as insured chil-  
13 dren. As a result, uninsured children are at a higher  
14 risk for preventable hospitalizations and for missed  
15 diagnoses of serious health conditions.

16 (12) According to a 2005 Kaiser Family Foun-  
17 dation report, because uninsured individuals are less  
18 likely than insured individuals to have regular out-  
19 patient care, they are more likely to be hospitalized  
20 for avoidable health problems. When uninsured indi-  
21 viduals are hospitalized, they are more likely than  
22 insured individuals to receive fewer services and to  
23 die in the hospital.

24 (13) According to a 2006 Kaiser Family Foun-  
25 dation report, having health insurance improves

1 health overall and access to health insurance by  
2 those who are currently uninsured could reduce the  
3 mortality rates for such uninsured individuals by 10  
4 to 15 percent. It has been estimated that the num-  
5 ber of excess deaths among uninsured adults who  
6 are between the ages of 25 and 64 years of age is  
7 in the range of 18,000 per year.

8 **SEC. 3. ACCESS TO MEDICARE BENEFITS FOR CERTAIN IN-**  
9 **DIVIDUALS 21 TO 65 YEARS OF AGE.**

10 (a) IN GENERAL.—Title XVIII of the Social Security  
11 Act is amended—

12 (1) by redesignating part E as part F; and

13 (2) by inserting after part D the following new  
14 part:

15 “PART E—PURCHASE OF MEDICARE BENEFITS BY  
16 CERTAIN INDIVIDUALS 21 TO 65 YEARS OF AGE

17 “PROGRAM BENEFITS; ELIGIBILITY

18 “SEC. 1860E–1. (a) ENTITLEMENT TO MEDICARE  
19 BENEFITS FOR ENROLLED INDIVIDUALS.—

20 “(1) IN GENERAL.—An individual enrolled  
21 under this part is entitled to the same benefits  
22 under this title (including the ability to enroll in  
23 plans under parts C and D) as an individual entitled  
24 to benefits under part A and enrolled under part B,  
25 except that the Secretary shall provide for the addi-

1       tion of benefits under this part for prenatal care and  
2       family planning services.

3           “(2) DEFINITIONS.—For purposes of this part:

4           “(A) FEDERAL OR STATE COBRA CONTINU-  
5           ATION PROVISION.—The term ‘Federal or State  
6           COBRA continuation provision’ has the mean-  
7           ing given the term ‘COBRA continuation provi-  
8           sion’ in section 2791(d)(4) of the Public Health  
9           Service Act and includes a comparable State  
10          program, as determined by the Secretary.

11          “(B) FEDERAL HEALTH INSURANCE PRO-  
12          GRAM DEFINED.—The term ‘Federal health in-  
13          surance program’ means any of the following:

14           “(i) MEDICARE.—A program under  
15           any part of this title (other than by reason  
16           of this part).

17           “(ii) MEDICAID.—A State plan under  
18           title XIX.

19           “(iii) FEHBP.—The Federal employ-  
20           ees health benefit program under chapter  
21           89 of title 5, United States Code.

22           “(iv) TRICARE.—The TRICARE  
23           program (as defined in section 1072(7) of  
24           title 10, United States Code).

1                   “(v) ACTIVE DUTY MILITARY.—Health  
2                   benefits under title 10, United States  
3                   Code, to an individual as a member of the  
4                   uniformed services of the United States.

5                   “(C) GROUP HEALTH PLAN.—The term  
6                   ‘group health plan’ has the meaning given such  
7                   term in section 2791(a)(1) of the Public Health  
8                   Service Act.

9                   “(D) QUALIFIED COVERAGE.—The term  
10                  ‘qualified coverage’ means coverage that has  
11                  been certified by an actuary (who is a member  
12                  of the American Academy of Actuaries or a  
13                  comparable group) as having coverage that is  
14                  actuarially equivalent to or better than the ac-  
15                  tuarial value of the coverage provided under  
16                  parts A and B.

17                  “(b) ELIGIBILITY OF CERTAIN INDIVIDUALS AGE 21  
18                  TO 65 YEARS OF AGE.—

19                  “(1) IN GENERAL.—Subject to paragraph (2),  
20                  an individual who meets the following requirements  
21                  with respect to a month is eligible to enroll under  
22                  this part with respect to such month:

23                  “(A) AGE.—As of the last day of the  
24                  month, the individual has attained 21 years of  
25                  age (or, in the case of an individual residing in

1 a State which applies (as of the date of the en-  
2 actment of this section and under clause (i) of  
3 section 1905(a)) an age lower than 21, such  
4 lower age), but has not attained 65 years of  
5 age.

6 “(B) NOT ELIGIBLE FOR QUALIFIED COV-  
7 ERAGE UNDER GROUP HEALTH PLANS OR FED-  
8 ERAL HEALTH INSURANCE PROGRAMS.—The in-  
9 dividual is not eligible for benefits or coverage  
10 that constitutes qualified coverage under a Fed-  
11 eral health insurance program (as defined in  
12 subsection (a)(2)(B)) or under a group health  
13 plan (other than such eligibility merely through  
14 a Federal or State COBRA continuation provi-  
15 sion) as of the last day of the month involved.

16 “(C) FAMILY INCOME BETWEEN 200 AND  
17 500 PERCENT OF FEDERAL POVERTY LEVEL.—  
18 The income of the individual’s family is at least  
19 200 percent, but does not exceed 500 percent,  
20 of the poverty line for a family of the size in-  
21 volved.

22 “(D) NOT COVERED FOR PREVIOUS 6  
23 MONTHS.—During the 6 preceding months the  
24 individual was not receiving benefits or coverage  
25 that constitutes qualified coverage under a Fed-

1           eral health insurance program, under a group  
2           health plan, or under individual health insur-  
3           ance coverage.

4           “(2) LIMITATION ON ELIGIBILITY IF TERMI-  
5           NATED ENROLLMENT.—If an individual described in  
6           paragraph (1) enrolls under this part and coverage  
7           of the individual is terminated under section 1860E–  
8           2(d) (other than because of age), the individual is  
9           not again eligible to enroll under this subsection un-  
10          less each of the following requirements are met:

11                   “(A) NEW QUALIFIED COVERAGE UNDER  
12                   GROUP HEALTH PLAN OR FEDERAL HEALTH IN-  
13                   SURANCE PROGRAM.—After the date of termi-  
14                   nation of coverage under such section, the indi-  
15                   vidual obtains qualified coverage under a group  
16                   health plan or under a Federal health insurance  
17                   program.

18                   “(B) SUBSEQUENT LOSS OF NEW COV-  
19                   ERAGE.—The individual subsequently loses eli-  
20                   gibility for the qualified coverage described in  
21                   subparagraph (A) without regard to whether  
22                   the individual has exhausted any eligibility the  
23                   individual may subsequently have for coverage  
24                   under a Federal or State COBRA continuation

1 provision and the individual meets the require-  
2 ment of paragraph (1)(D).

3 “ENROLLMENT PROCESS; COVERAGE

4 “SEC. 1860E-2. (a) IN GENERAL.—An individual  
5 may enroll in the program established under this part only  
6 in such manner and form as may be prescribed by regula-  
7 tions, and only during an enrollment period prescribed by  
8 the Secretary consistent with the provisions of this section.  
9 Such regulations shall provide a process under which indi-  
10 viduals eligible to enroll as of a month are permitted to  
11 pre-enroll during a prior month within an enrollment pe-  
12 riod described in subsection (b).

13 “(b) ENROLLMENT PERIODS.—

14 “(1) INDIVIDUALS 21 TO 65 YEARS OF AGE.—In  
15 the case of individuals eligible to enroll under this  
16 part under section 1860E-1(b), the following enroll-  
17 ment periods shall apply:

18 “(A) INITIAL ENROLLMENT PERIOD.—If  
19 the individual is eligible to enroll under such  
20 section as of January 2008, the enrollment pe-  
21 riod shall begin on November 1, 2007, and shall  
22 end on February 28, 2008. Any such enroll-  
23 ment before January 1, 2008, is conditioned  
24 upon compliance with the conditions of eligi-  
25 bility for January 2008.

1           “(B) SUBSEQUENT PERIODS.—If the indi-  
2           vidual is eligible to enroll under such section as  
3           of a month after January 2008, the enrollment  
4           period shall begin on the first day of the second  
5           month before the month in which the individual  
6           first is eligible to so enroll and shall end four  
7           months later. Any such enrollment before the  
8           first day of the third month of such enrollment  
9           period is conditioned upon compliance with the  
10          conditions of eligibility for such third month.

11          “(2) AUTHORITY TO CORRECT FOR GOVERN-  
12          MENT ERRORS.—The provisions of section 1837(h)  
13          apply with respect to enrollment under this part in  
14          the same manner as they apply to enrollment under  
15          part B.

16          “(c) DATE COVERAGE BEGINS.—

17                 “(1) IN GENERAL.—The period during which  
18                 an individual is entitled to benefits under this part  
19                 shall begin as follows, but in no case earlier than  
20                 January 1, 2008:

21                         “(A) FOR ENROLLMENTS BEFORE MONTH  
22                         OF ELIGIBILITY.—In the case of an individual  
23                         who enrolls (including pre-enrolls) before the  
24                         month in which the individual first satisfies eli-  
25                         gibility for enrollment under section 1860E-1,

1 the first day of such month in which the indi-  
2 vidual first satisfies eligibility.

3 “(B) FOR ENROLLMENTS DURING OR  
4 AFTER MONTH OF ELIGIBILITY.—In the case of  
5 an individual who enrolls during or after the  
6 month in which the individual first satisfies eli-  
7 gibility for enrollment under such section, the  
8 first day of the following month.

9 “(2) AUTHORITY TO PROVIDE FOR PARTIAL  
10 MONTHS OF COVERAGE.—Under regulations, the  
11 Secretary may, in the Secretary’s discretion, provide  
12 for coverage periods that include portions of a  
13 month in order to avoid lapses of coverage.

14 “(3) LIMITATION ON PAYMENTS.—No payments  
15 may be made under this title with respect to the ex-  
16 penses of an individual enrolled under this part un-  
17 less such expenses were incurred by such individual  
18 during a period which, with respect to the individual,  
19 is a coverage period under this section.

20 “(d) TERMINATION OF COVERAGE.—

21 “(1) IN GENERAL.—An individual’s coverage  
22 period under this part shall continue until the indi-  
23 vidual’s enrollment has been terminated at the ear-  
24 liest of the following:

25 “(A) GENERAL PROVISIONS.—

1           “(i) NOTICE.—The individual files no-  
2           tice (in a form and manner prescribed by  
3           the Secretary) that the individual no  
4           longer wishes to participate in the insur-  
5           ance program under this part.

6           “(ii) NONPAYMENT OF PREMIUMS.—  
7           The individual fails to make payment of  
8           premiums required for enrollment under  
9           this part.

10           “(iii) ELIGIBILITY FOR MEDICARE,  
11           GROUP HEALTH PLAN, OR OTHER FED-  
12           ERAL HEALTH INSURANCE.—The indi-  
13           vidual becomes entitled to benefits or en-  
14           rolled under any other part of this title  
15           (other than by reason of this part) or for  
16           qualified coverage under a group health  
17           plan or under another Federal health in-  
18           surance program.

19           “(B) TERMINATION BASED ON AGE.—The  
20           individual attains 65 years of age.

21           “(2) EFFECTIVE DATE OF TERMINATION.—

22           “(A) NOTICE.—The termination of a cov-  
23           erage period under paragraph (1)(A)(i) shall  
24           take effect at the close of the month following  
25           the month for which the notice is filed.

1           “(B) NONPAYMENT OF PREMIUM.—The  
2           termination of a coverage period under para-  
3           graph (1)(A)(ii) shall take effect on a date de-  
4           termined under regulations, which may be de-  
5           termined so as to provide a grace period in  
6           which overdue premiums may be paid and cov-  
7           erage continued. The grace period determined  
8           under the preceding sentence shall not exceed  
9           60 days; except that it may be extended for an  
10          additional 30 days in any case where the Sec-  
11          retary determines that there was good cause for  
12          failure to pay the overdue premiums within  
13          such 60-day period.

14          “(C) AGE OR HEALTH INSURANCE ELIGI-  
15          BILITY.—The termination of a coverage period  
16          under paragraph (1)(A)(iii) or (1)(B) shall take  
17          effect as of the first day of the month in which  
18          the individual attains 65 years of age or be-  
19          comes entitled to benefits or enrolled under a  
20          plan or program described in subparagraph  
21          (A)(iii).

22          “(3) NO EFFECT OF TERMINATION ON CONTIN-  
23          UED MEDICARE BENEFITS WHEN TURNS 65.—Noth-  
24          ing in this subsection shall be construed as affecting  
25          the continuation of benefits under this title (other

1 than under this part) in the case of an individual  
2 who attains 65 years of age or who otherwise subse-  
3 quently qualifies for benefits under this title other  
4 than under this part.

5 “PREMIUMS

6 “SEC. 1860E-3. (a) AMOUNT OF MONTHLY PRE-  
7 MIUMS.—The Secretary shall, during September of each  
8 year (beginning with 2007), determine a monthly premium  
9 for individuals 21 years of age or older, equal to  $\frac{1}{12}$  of  
10 the annual premium computed under subsection (b)(2),  
11 which shall apply with respect to coverage provided under  
12 this title for any month in the succeeding year.

13 “(b) ANNUAL PREMIUM.—

14 “(1) NATIONAL, PER CAPITA AVERAGE.—The  
15 Secretary shall estimate the average, annual per  
16 capita amount that would be payable under this title  
17 with respect to individuals residing in the United  
18 States who meet the requirement of section 1860E-  
19 1(b)(1)(A) as if all such individuals were eligible for  
20 (and enrolled) under this title during the entire year  
21 (and assuming that section 1862(b)(2)(A)(i) did not  
22 apply).

23 “(2) ANNUAL PREMIUM.—The annual premium  
24 under this subsection for months in a year is equal  
25 to the average, annual per capita amount estimated  
26 under paragraph (1) for the year.

## 1                                   “PAYMENT OF PREMIUMS

2           “SEC. 1860E-4. (a) PAYMENT OF MONTHLY PRE-  
3 MIUM.—

4                   “(1) IN GENERAL.—The Secretary shall provide  
5 for payment and collection of the monthly premium,  
6 determined under section 1860E-3(a) for the age of  
7 the individual involved, in the same manner as for  
8 payment of monthly premiums under section 1840,  
9 except that, for purposes of applying this section,  
10 any reference in such section to the Federal Supple-  
11 mentary Medical Insurance Trust Fund is deemed a  
12 reference to the Trust Fund established under sec-  
13 tion 1860E-5.

14                   “(2) PERIOD OF PAYMENT.—In the case of an  
15 individual who participates in the program estab-  
16 lished by this part, the monthly premium shall be  
17 payable for the period commencing with the first  
18 month of the individual’s coverage period and ending  
19 with the month in which the individual’s coverage  
20 under this part terminates.

21                   “(b) APPLICATION OF CERTAIN PROVISIONS.—The  
22 provisions of section 1840 (other than subsection (h))  
23 shall apply to premiums collected under this section in the  
24 same manner as they apply to premiums collected under  
25 part B, except that any reference in such section to the

1 Federal Supplementary Medical Insurance Trust Fund is  
2 deemed a reference to the Trust Fund established under  
3 section 1860E-5.

4 “MEDICARE FOR THE UNINSURED TRUST FUND

5 “SEC. 1860E-5. (a) ESTABLISHMENT OF TRUST  
6 FUND.—

7 “(1) IN GENERAL.—There is hereby created on  
8 the books of the Treasury of the United States a  
9 trust fund to be known as the ‘Medicare for the Un-  
10 insured Trust Fund’ (in this section referred to as  
11 the ‘Trust Fund’). The Trust Fund shall consist of  
12 such gifts and bequests as may be made as provided  
13 in section 201(i)(1) and such amounts as may be de-  
14 posited in, or appropriated to, such fund as provided  
15 in this title.

16 “(2) PREMIUMS.—Premiums collected under  
17 section 1860E-3 and payable under section 1860E-  
18 4(a)(2) shall be transferred to the Trust Fund.

19 “(b) INCORPORATION OF PROVISIONS.—

20 “(1) IN GENERAL.—Subject to paragraph (2),  
21 subsections (b) through (i) of section 1841 shall  
22 apply with respect to the Trust Fund and this part  
23 in the same manner as they apply with respect to  
24 the Federal Supplementary Medical Insurance Trust  
25 Fund and part B, respectively.

1           “(2) MISCELLANEOUS REFERENCES.—In apply-  
2           ing provisions of section 1841 under paragraph  
3           (1)—

4                   “(A) any reference in such section to ‘this  
5           part’ is construed to refer to this part E;

6                   “(B) any reference in section 1841(h) to  
7           section 1840(d) and in section 1841(i) to sec-  
8           tions 1840(b)(1) and 1842(g) are deemed ref-  
9           erences to comparable authority exercised under  
10          this part; and

11                   “(C) payments may be made under section  
12          1841(g) to the Trust Funds under sections  
13          1817 and 1841 as reimbursement to such funds  
14          for payments they made for benefits provided  
15          under this part.

16                   “OVERSIGHT AND ACCOUNTABILITY

17           “SEC. 1860E–6. (a) THROUGH ANNUAL REPORTS OF  
18   TRUSTEES.—The Board of Trustees of the Medicare for  
19   the Uninsured Trust Fund under section 1860E–5(b)(1)  
20   shall report on an annual basis to Congress concerning  
21   the status of the Trust Fund and the need for adjustments  
22   in the program under this part to maintain financial sol-  
23   vency of the program under this part.

24           “(b) PERIODIC GAO REPORTS.—The Comptroller  
25   General of the United States shall periodically submit to  
26   Congress reports on the adequacy of the financing of cov-

1 erage provided under this part. The Comptroller General  
2 shall include in such report such recommendations for ad-  
3 justments in such financing and coverage as the Comp-  
4 troller General deems appropriate in order to maintain fi-  
5 nancial solvency of the program under this part.

6 “ADMINISTRATION AND MISCELLANEOUS

7 “SEC. 1860E-7. (a) TREATMENT FOR PURPOSES OF  
8 TITLE.—Except as otherwise provided in this part—

9 “(1) individuals enrolled under this part shall  
10 be treated for purposes of this title as though the in-  
11 dividual were entitled to benefits under part A and  
12 enrolled under part B; and

13 “(2) benefits described in section 1860E-1  
14 shall be payable under this title to such individuals  
15 in the same manner as if such individuals were so  
16 entitled and enrolled.

17 “(b) NOT TREATED AS MEDICARE PROGRAM FOR  
18 PURPOSES OF MEDICAID PROGRAM.—For purposes of ap-  
19 plying title XIX (including the provision of Medicare cost-  
20 sharing assistance under such title), an individual who is  
21 enrolled under this part shall not be treated as being enti-  
22 tled to benefits under this title.

23 “(c) NOT TREATED AS MEDICARE PROGRAM FOR  
24 PURPOSES OF COBRA CONTINUATION PROVISIONS.—In  
25 applying a COBRA continuation provision (as defined in  
26 section 2791(d)(4) of the Public Health Service Act), any

1 reference to an entitlement to benefits under this title  
2 shall not be construed to include entitlement to benefits  
3 under this title pursuant to the operation of this part.

4 “(d) PAYMENT SCHEDULE.—The Secretary, with the  
5 assistance of the Medicare Payment Advisory Commission,  
6 shall develop and implement a payment schedule for bene-  
7 fits provided under parts A and B pursuant to this part.  
8 To the extent feasible, such payment schedule shall be con-  
9 sistent with comparable payment schedules and reimburse-  
10 ment methodologies applied under parts A and B.”.

11 (b) CONFORMING AMENDMENTS TO SOCIAL SECU-  
12 RITY ACT PROVISIONS.—

13 (1) Section 201(i)(1) of the Social Security Act  
14 (42 U.S.C. 401(i)(1)) is amended by striking “or the  
15 Federal Supplementary Medical Insurance Trust  
16 Fund” and inserting “the Federal Supplementary  
17 Medical Insurance Trust Fund, and the Medicare  
18 for the Uninsured Trust Fund”.

19 (2) Section 201(g)(1)(A) of such Act (42  
20 U.S.C. 401(g)(1)(A)) is amended by striking “and  
21 the Federal Supplementary Medical Insurance Trust  
22 Fund established by title XVIII” and inserting “,  
23 the Federal Supplementary Medical Insurance Trust  
24 Fund, and the Medicare for the Uninsured Trust  
25 Fund established by title XVIII”.

1           (3) Section 1820(i) of such Act (42 U.S.C.  
2           1395i-4(i)) is amended by striking “part D” and in-  
3           serting “part F”.

4           (4) Section 1853 of such Act (42 U.S.C.  
5           1395w-23) is amended by adding at the end the fol-  
6           lowing new subsection:

7           “(k) ADJUSTMENT FOR PART E BENEFICIARIES.—  
8           In applying this section with respect to individuals entitled  
9           to benefits under part E, the Secretary shall provide for  
10          an appropriate adjustment in, for 2007, the annual MA  
11          capitation rate, and for years beginning with 2008, the  
12          payment amount determined under this section or section  
13          1858, as may be appropriate to reflect differences between  
14          the population served under such part and the population  
15          under parts A and B.”.

16          (5) Section 1860D-15(c)(1) of such Act (42  
17          U.S.C. 1395w-115(c)(1)) is amended by adding at  
18          the end the following new subparagraph:

19                 “(E) ADJUSTMENT FOR PART E BENE-  
20                 FICIARIES.—In applying this section with re-  
21                 spect to individuals entitled to benefits under  
22                 part E, the Secretary shall provide for an ap-  
23                 propriate adjustment in the payment amount  
24                 determined under this section as may be appro-  
25                 priate to reflect differences between the popu-

1           lation served under such part and the popu-  
2           lation under parts A and B.”.

3           (c) OTHER CONFORMING AMENDMENTS.—

4           (1) Section 602(2)(D)(ii) of the Employee Re-  
5           tirement Income Security Act of 1974 (29 U.S.C.  
6           1162(2)) is amended by inserting “(not including an  
7           individual who is so entitled pursuant to enrollment  
8           under section 1860E–1 of such Act)” after “Social  
9           Security Act”.

10          (2) Section 2202(2)(D)(ii) of the Public Health  
11          Service Act (42 U.S.C. 300bb–2(2)(D)(ii)) is amend-  
12          ed by inserting “(not including an individual who is  
13          so entitled pursuant to enrollment under section  
14          1860E–1 of such Act)” after “Social Security Act”.

15          (3) Section 4980B(f)(2)(B)(i)(V) of the Inter-  
16          nal Revenue Code of 1986 is amended by inserting  
17          “(not including an individual who is so entitled pur-  
18          suant to enrollment under section 1860E–1 of such  
19          Act)” after “Social Security Act”.

20       **SEC. 4. REFUNDABLE AND ADVANCEABLE INCOME TAX**

21                       **CREDIT FOR CERTAIN MEDICARE PREMIUMS**

22                       **FOR THE UNINSURED.**

23          (a) IN GENERAL.—Subpart C of part IV of sub-  
24          chapter A of chapter 1 of the Internal Revenue Code of  
25          1986 (relating to refundable personal credits) is amended

1 by redesignating section 36 as section 37 and by inserting  
2 after section 35 the following new section:

3 **“SEC. 36. CERTAIN MEDICARE PREMIUMS FOR THE UNIN-**  
4 **SURED.**

5 “(a) IN GENERAL.—In the case of an individual,  
6 there shall be allowed as a credit against the tax imposed  
7 by this chapter for the taxable year an amount equal to  
8 85 percent of the amount paid during such year as pre-  
9 miums under part E of title XVIII of the Social Security  
10 Act for coverage of the taxpayer and the taxpayer’s spouse  
11 and dependents under such part.

12 “(b) COORDINATION WITH ADVANCE PAYMENT.—  
13 With respect to any taxable year, the amount which would  
14 (but for this subsection) be allowed as a credit under sub-  
15 section (a) shall be reduced (but not below zero) by the  
16 aggregate amount paid on behalf of such taxpayer under  
17 section 7529 for such taxable year.

18 “(c) SPECIAL RULES.—Rules similar to the rules of  
19 paragraphs (2), (3), and (4) of section 35(g) and para-  
20 graphs (2), (3), and (4) of section 21(e) shall apply for  
21 purposes of this section.”.

22 (b) ADVANCE PAYMENT OF CREDIT.—Chapter 77 of  
23 such Code (relating to miscellaneous provisions) is amend-  
24 ed by adding at the end the following new section:

1 **“SEC. 7529. ADVANCE PAYMENT OF CREDIT FOR CERTAIN**  
2 **MEDICARE PREMIUMS FOR THE UNINSURED.**

3 “(a) GENERAL RULE.—The Secretary shall establish  
4 a program for making payments on behalf of individuals  
5 enrolled under part E of title XVIII of the Social Security  
6 Act to the Secretary of Health and Human Services for  
7 premiums payable by such individuals under such part.

8 “(b) LIMITATION ON ADVANCE PAYMENTS DURING  
9 ANY TAXABLE YEAR.—The Secretary may make pay-  
10 ments under subsection (a) only to the extent that the  
11 total amount of such payments made on behalf of any indi-  
12 vidual during the taxable year does not exceed the amount  
13 allowable as a credit to such individual for such year under  
14 section 36 (determined without regard to subsection (b)  
15 thereof).”.

16 (c) CONFORMING AMENDMENTS.—

17 (1) Paragraph (2) of section 1324(b) of title  
18 31, United States Code, is amended by inserting “or  
19 36” after “section 35”.

20 (2) The table of sections for subpart C of part  
21 IV of subchapter A of chapter 1 of the Internal Rev-  
22 enue Code of 1986 is amended by redesignating the  
23 item relating to section 36 as an item relating to  
24 section 37 and by inserting after the item relating  
25 to section 35 the following new item:

“Sec. 36. Certain Medicare premiums for the uninsured.”.

1           (3) The table of sections for chapter 77 of such  
2           Code is amended by adding at the end the following  
3           new item:

          “Sec. 7529. Advance payment of credit for certain Medicare premiums for the  
          uninsured.”.

4           (d) EFFECTIVE DATE.—The amendments made by  
5           this section shall apply to taxable years ending after the  
6           date of the enactment of this Act.

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