

109TH CONGRESS  
2D SESSION

# S. 3747

To amend title XVIII of the Social Security Act and the Employee Retirement Income Security Act of 1974 to provide access to Medicare benefits for individuals ages 55 to 65, to amend the Internal Revenue Code of 1986 to allow a refundable and advanceable credit against income tax for payment of such premiums, and for other purposes.

---

## IN THE SENATE OF THE UNITED STATES

JULY 27 (legislative day, JULY 26), 2006

Mr. ROCKEFELLER (for himself, Mr. KERRY, Mr. KENNEDY, and Mr. SARBANES) introduced the following bill; which was read twice and referred to the Committee on Finance

---

## A BILL

To amend title XVIII of the Social Security Act and the Employee Retirement Income Security Act of 1974 to provide access to Medicare benefits for individuals ages 55 to 65, to amend the Internal Revenue Code of 1986 to allow a refundable and advanceable credit against income tax for payment of such premiums, 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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “Medicare Early Access Act of 2006”.

4 (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

**TITLE I—ACCESS TO MEDICARE BENEFITS FOR INDIVIDUALS 55  
TO 65 YEARS OF AGE**

Sec. 101. Access to Medicare benefits for individuals 55 to 65 years of age.

**“PART E—PURCHASE OF MEDICARE BENEFITS BY CERTAIN INDIVIDUALS  
55 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. Provisions relating to Employment-Based retiree health  
coverage.

“Sec. 1860E–6. Medicare Early Access Trust Fund.

“Sec. 1860E–7. Oversight and accountability.

“Sec. 1860E–8. Administration and miscellaneous.

**TITLE II—REFUNDABLE AND ADVANCEABLE CREDIT AGAINST  
INCOME TAX FOR MEDICARE EARLY ACCESS PREMIUMS**

Sec. 201. Refundable and advanceable income tax credit for Medicare early ac-  
cess premiums.

5 **TITLE I—ACCESS TO MEDICARE**  
6 **BENEFITS FOR INDIVIDUALS**  
7 **55 TO 65 YEARS OF AGE**

8 **SEC. 101. ACCESS TO MEDICARE BENEFITS FOR INDIVID-**  
9 **UALS 55 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:

1 **“PART E—PURCHASE OF MEDICARE BENEFITS**  
 2 **BY CERTAIN INDIVIDUALS 55 TO 65 YEARS OF**  
 3 **AGE**

4 **“SEC. 1860E-1. PROGRAM BENEFITS; ELIGIBILITY.**

5 “(a) ENTITLEMENT TO MEDICARE BENEFITS FOR  
 6 ENROLLED INDIVIDUALS.—

7 “(1) IN GENERAL.—An individual enrolled  
 8 under this part is entitled to the same benefits  
 9 under this title as an individual entitled to benefits  
 10 or enrolled under any part of this title.

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

12 “(A) FEDERAL OR STATE COBRA CONTINU-  
 13 ATION PROVISION.—The term ‘Federal or State  
 14 COBRA continuation provision’ has the mean-  
 15 ing given the term ‘COBRA continuation provi-  
 16 sion’ in section 2791(d)(4) of the Public Health  
 17 Service Act and includes a comparable State  
 18 program, as determined by the Secretary.

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

22 “(i) MEDICARE.—Any part of this  
 23 title (other than by reason of this part).

24 “(ii) MEDICAID.—A State plan under  
 25 title XIX.

1           “(iii) FEHBP.—The Federal employ-  
 2           ees health benefit program under chapter  
 3           89 of title 5, United States Code.

4           “(iv) TRICARE.—The TRICARE  
 5           program (as defined in section 1072(7) of  
 6           title 10, United States Code).

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

11          “(C) GROUP HEALTH PLAN.—The term  
 12          ‘group health plan’ has the meaning given such  
 13          term in section 2791(a)(1) of the Public Health  
 14          Service Act.

15          “(b) ELIGIBILITY OF INDIVIDUALS AGE 55 TO 65  
 16          YEARS OF AGE.—

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

21               “(A) AGE.—As of the last day of the  
 22          month, the individual has attained 55 years of  
 23          age, but has not attained 65 years of age.

24               “(B) MEDICARE ELIGIBILITY (BUT FOR  
 25          AGE).—The individual would be eligible for ben-

1           efits under part A or part B for the month if  
2           the individual were 65 years of age.

3           “(C) NOT ELIGIBLE FOR COVERAGE  
4           UNDER GROUP HEALTH PLANS OR FEDERAL  
5           HEALTH INSURANCE PROGRAMS.—The indi-  
6           vidual is not eligible for benefits or coverage  
7           under a Federal health insurance program (as  
8           defined in subsection (a)(2)(B)) or under a  
9           group health plan (other than such eligibility  
10          merely through a Federal or State COBRA con-  
11          tinuation provision) as of the last day of the  
12          month involved.

13          “(2) LIMITATION ON ELIGIBILITY IF TERMI-  
14          NATED ENROLLMENT.—If an individual described in  
15          paragraph (1) enrolls under this part and coverage  
16          of the individual is terminated under section 1860E-  
17          2(d) (other than because of age), the individual is  
18          not again eligible to enroll under this subsection un-  
19          less the following requirements are met:

20               “(A) NEW COVERAGE UNDER GROUP  
21               HEALTH PLAN OR FEDERAL HEALTH INSUR-  
22               ANCE PROGRAM.—After the date of termination  
23               of coverage under such section, the individual  
24               obtains coverage under a group health plan or  
25               under a Federal health insurance program.

1                   “(B) SUBSEQUENT LOSS OF NEW COV-  
 2                   ERAGE.—The individual subsequently loses eli-  
 3                   gibility for the coverage described in subpara-  
 4                   graph (A) without regard to whether the indi-  
 5                   vidual has exhausted any eligibility the indi-  
 6                   vidual may subsequently have for coverage  
 7                   under a Federal or State COBRA continuation  
 8                   provision.

9                   “(3) CHANGE IN HEALTH PLAN ELIGIBILITY  
 10                  DOES NOT AFFECT COVERAGE.—In the case of an  
 11                  individual who is eligible for and enrolls under this  
 12                  part under this subsection, the individual’s continued  
 13                  entitlement to benefits under this part shall not be  
 14                  affected by the individual’s subsequent eligibility for  
 15                  benefits or coverage described in paragraph (1)(C),  
 16                  or entitlement to such benefits or coverage.

17   **“SEC. 1860E-2. ENROLLMENT PROCESS; COVERAGE.**

18                  “(a) IN GENERAL.—An individual may enroll in the  
 19                  program established under this part only in such manner  
 20                  and form as may be prescribed by regulations, and only  
 21                  during an enrollment period prescribed by the Secretary  
 22                  consistent with the provisions of this section. Such regula-  
 23                  tions shall provide a process under which individuals eligi-  
 24                  ble to enroll as of a month are permitted to pre-enroll dur-

1 ing a prior month within an enrollment period described  
 2 in subsection (b).

3 “(b) ENROLLMENT PERIODS.—

4 “(1) INDIVIDUALS 55 TO 65 YEARS OF AGE.—In  
 5 the case of individuals eligible to enroll under this  
 6 part under section 1860E-1(b)—

7 “(A) INITIAL ENROLLMENT PERIOD.—If  
 8 the individual is eligible to enroll under such  
 9 section for January 2007, the enrollment period  
 10 shall begin on November 1, 2006, and shall end  
 11 on February 28, 2007. Any such enrollment be-  
 12 fore January 1, 2007, is conditioned upon com-  
 13 pliance with the conditions of eligibility for Jan-  
 14 uary 2007.

15 “(B) SUBSEQUENT PERIODS.—If the indi-  
 16 vidual is eligible to enroll under such section for  
 17 a month after January 2007, the enrollment pe-  
 18 riod shall begin on the first day of the second  
 19 month before the month in which the individual  
 20 first is eligible to so enroll and shall end four  
 21 months later. Any such enrollment before the  
 22 first day of the third month of such enrollment  
 23 period is conditioned upon compliance with the  
 24 conditions of eligibility for such third month.

1           “(2) AUTHORITY TO CORRECT FOR GOVERN-  
 2           MENT ERRORS.—The provisions of section 1837(h)  
 3           apply with respect to enrollment under this part in  
 4           the same manner as they apply to enrollment under  
 5           part B.

6           “(c) DATE COVERAGE BEGINS.—

7           “(1) IN GENERAL.—The period during which  
 8           an individual is entitled to benefits under this part  
 9           shall begin as follows, but in no case earlier than  
 10          January 1, 2007:

11           “(A) In the case of an individual who en-  
 12           rolls (including pre-enrolls) before the month in  
 13           which the individual satisfies eligibility for en-  
 14           rollment under section 1860E–1, the first day  
 15           of such month of eligibility.

16           “(B) In the case of an individual who en-  
 17           rolls during or after the month in which the in-  
 18           dividual first satisfies eligibility for enrollment  
 19           under such section, the first day of the fol-  
 20           lowing month.

21           “(2) AUTHORITY TO PROVIDE FOR PARTIAL  
 22           MONTHS OF COVERAGE.—Under regulations, the  
 23           Secretary may, in the Secretary’s discretion, provide  
 24           for coverage periods that include portions of a  
 25           month in order to avoid lapses of coverage.



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

7           “(d) TERMINATION OF COVERAGE.—

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

12                   “(A) GENERAL PROVISIONS.—

13                           “(i) NOTICE.—The individual files no-  
 14                           tice (in a form and manner prescribed by  
 15                           the Secretary) that the individual no  
 16                           longer wishes to participate in the insur-  
 17                           ance program under this part.

18                           “(ii) NONPAYMENT OF PREMIUMS.—  
 19                           The individual fails to make payment of  
 20                           premiums required for enrollment under  
 21                           this part.

22                           “(iii) MEDICARE ELIGIBILITY.—The  
 23                           individual becomes entitled to benefits or  
 24                           enrolled under any other part of this title  
 25                           (other than by reason of this part).

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

3           “(2) EFFECTIVE DATE OF TERMINATION.—

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

8           “(B) NONPAYMENT OF PREMIUM.—The  
9 termination of a coverage period under para-  
10 graph (1)(A)(ii) shall take effect on a date de-  
11 termined under regulations, which may be de-  
12 termined so as to provide a grace period in  
13 which overdue premiums may be paid and cov-  
14 erage continued. The grace period determined  
15 under the preceding sentence shall not exceed  
16 60 days; except that it may be extended for an  
17 additional 30 days in any case where the Sec-  
18 retary determines that there was good cause for  
19 failure to pay the overdue premiums within  
20 such 60-day period.

21           “(C) AGE OR MEDICARE ELIGIBILITY.—  
22 The termination of a coverage period under  
23 paragraph (1)(A)(iii) or (1)(B) shall take effect  
24 as of the first day of the month in which the  
25 individual attains 65 years of age or becomes

1 entitled to benefits or enrolled in any other part  
2 of this title (other than by reason of this part).

3 **“SEC. 1860E-3. PREMIUMS.**

4 “(a) AMOUNT OF MONTHLY PREMIUMS.—The Sec-  
5 retary shall, during September of each year (beginning  
6 with 2006), determine a monthly premium for individuals  
7 55 years of age or older, equal to  $\frac{1}{12}$  of the annual pre-  
8 mium computed under subsection (b)(2), which shall apply  
9 with respect to coverage provided under this title for any  
10 month in the succeeding year.

11 “(b) ANNUAL PREMIUM.—

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

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

1 **“SEC. 1860E–4. PAYMENT OF PREMIUMS.**

2 “(a) PAYMENT OF MONTHLY PREMIUM.—

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

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

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

1 deemed a reference to the Trust Fund established under  
2 section 1860E–6.

3 **“SEC. 1860E–5. PROVISIONS RELATING TO EMPLOYMENT-**  
4 **BASED RETIREE HEALTH COVERAGE.**

5 “(a) IN GENERAL.—In the case of an individual who  
6 would be eligible to enroll under this part but for the pro-  
7 vision of employment-based retiree health coverage by an  
8 employer to the individual, notwithstanding the limitation  
9 under section 1860E–1(b)(1)(C), the individual is eligible  
10 to enroll under this part.

11 “(b) MAINTENANCE OF EFFORT.—In the case of an  
12 employer that offers employment-based retiree health cov-  
13 erage to an individual who enrolls under this part, upon  
14 enrollment of the individual under this part, the employer  
15 may modify such coverage to provide for the following ben-  
16 efits:

17 “(1) Payment is made by the employer under  
18 such coverage for items and services for which pay-  
19 ment may not be made under this title.

20 “(2) Payment is made by the employer spon-  
21 soring such coverage of 25 percent of the monthly  
22 premium under section 1860E–3 applicable to the  
23 individual after enrollment under this part.

24 “(c) EMPLOYMENT-BASED RETIREE HEALTH COV-  
25 ERAGE.—The term ‘employment-based retiree health cov-

1 erage’ has the meaning given that term in section 1860D–  
 2 22(c)(1), except that, for purposes of this part, any ref-  
 3 erence in such section to ‘part D’ is deemed to be a ref-  
 4 erence to ‘part E’.

5 **“SEC. 1860E–6. MEDICARE EARLY ACCESS TRUST FUND.**

6 “(a) ESTABLISHMENT OF TRUST 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 Early Ac-  
 10 cess Trust Fund’ (in this section referred to as the  
 11 ‘Trust Fund’). The Trust Fund shall consist of such  
 12 gifts and bequests as may be made as provided in  
 13 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 5(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 title  
 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   **“SEC. 1860E-7. OVERSIGHT AND ACCOUNTABILITY.**

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

24          “(b) PERIODIC GAO REPORTS.—The Comptroller  
 25          General of the United States shall periodically submit to

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

7 **“SEC. 1860E-8. ADMINISTRATION AND MISCELLANEOUS.**

8       “(a) TREATMENT FOR PURPOSES OF TITLE.—Ex-  
 9 cept as otherwise provided in this part—

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

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

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

24       “(c) NOT TREATED AS MEDICARE PROGRAM FOR  
 25 PURPOSES OF COBRA CONTINUATION PROVISIONS.—In



1 applying a COBRA continuation provision (as defined in  
 2 section 2791(d)(4) of the Public Health Service Act), any  
 3 reference to an entitlement to benefits under this title  
 4 shall not be construed to include entitlement to benefits  
 5 under this title pursuant to the operation of this part.”.

6 (b) CONFORMING AMENDMENTS TO SOCIAL SECU-  
 7 RITY ACT PROVISIONS.—(1) Section 201(i)(1) of the So-  
 8 cial Security Act (42 U.S.C. 401(i)(1)) is amended by  
 9 striking “or the Federal Supplementary Medical Insur-  
 10 ance Trust Fund” and inserting “the Federal Supple-  
 11 mentary Medical Insurance Trust Fund, and the Medicare  
 12 Early Access Trust Fund”.

13 (2) Section 201(g)(1)(A) of such Act (42 U.S.C.  
 14 401(g)(1)(A)) is amended by striking “and the Federal  
 15 Supplementary Medical Insurance Trust Fund established  
 16 by title XVIII” and inserting “, the Federal Supple-  
 17 mentary Medical Insurance Trust Fund, and the Medicare  
 18 Early Access Trust Fund established by title XVIII”.

19 (3) Section 1820(i) of such Act (42 U.S.C. 1395i-  
 20 4(i)) is amended by striking “part D” and inserting “part  
 21 F”.

22 (4) Section 1853 of such Act (42 U.S.C. 1395w-23)  
 23 is amended by adding at the end the following new sub-  
 24 section:

1       “(k) ADJUSTMENT FOR EARLY ACCESS.—In apply-  
 2       ing this section with respect to individuals entitled to bene-  
 3       fits under part E, the Secretary shall provide for an appro-  
 4       priate adjustment in, for 2007, the annual MA capitation  
 5       rate, and for years beginning with 2008, the payment  
 6       amount determined under this section or section 1858, as  
 7       may be appropriate to reflect differences between the pop-  
 8       ulation served under such part and the population under  
 9       parts A and B.”.

10       (5) Section 1860D–15(c)(1) of such Act (42 U.S.C.  
 11       1395w–115(c)(1)) is amended by adding at the end the  
 12       following new subparagraph:

13               “(E) ADJUSTMENT FOR EARLY ACCESS.—  
 14               In applying this section with respect to individ-  
 15               uals entitled to benefits under part E, the Sec-  
 16               retary shall provide for an appropriate adjust-  
 17               ment in the payment amount determined under  
 18               this section as may be appropriate to reflect dif-  
 19               ferences between the population served under  
 20               such part and the population under parts A and  
 21               B.”.

22       (c) OTHER CONFORMING AMENDMENTS.—(1) Sec-  
 23       tion 602(2)(D)(ii) of the Employee Retirement Income Se-  
 24       curity Act of 1974 (29 U.S.C. 1162(2)) is amended by  
 25       inserting “(not including an individual who is so entitled

1 pursuant to enrollment under section 1860E–1)” after  
 2 “Social Security Act”.

3 (2) Section 2202(2)(D)(ii) of the Public Health Serv-  
 4 ice Act (42 U.S.C. 300bb–2(2)(D)(ii)) is amended by in-  
 5 serting “(not including an individual who is so entitled  
 6 pursuant to enrollment under section 1860E–1)” after  
 7 “Social Security Act”.

8 (3) Section 4980B(f)(2)(B)(i)(V) of the Internal Rev-  
 9 enue Code of 1986 is amended by inserting “(not includ-  
 10 ing an individual who is so entitled pursuant to enrollment  
 11 under section 1860E–1)” after “Social Security Act”.

12 **TITLE II—REFUNDABLE AND**  
 13 **ADVANCEABLE CREDIT**  
 14 **AGAINST INCOME TAX FOR**  
 15 **MEDICARE EARLY ACCESS**  
 16 **PREMIUMS**

17 **SEC. 201. REFUNDABLE AND ADVANCEABLE INCOME TAX**  
 18 **CREDIT FOR MEDICARE EARLY ACCESS PRE-**  
 19 **MIUMS.**

20 (a) IN GENERAL.—Subpart C of part IV of sub-  
 21 chapter A of chapter 1 of the Internal Revenue Code of  
 22 1986 (relating to refundable personal credits) is amended  
 23 by redesignating section 36 as section 37 and by inserting  
 24 after section 35 the following new section:

1 **“SEC. 36. MEDICARE EARLY ACCESS PREMIUMS.**

2 “(a) IN GENERAL.—In the case of an individual,  
3 there shall be allowed as a credit against the tax imposed  
4 by this chapter for the taxable year an amount equal to  
5 75 percent of the amount paid during such year as medi-  
6 care early access coverage premiums.

7 “(b) DEFINITIONS.—For purposes of this section the  
8 term ‘medicare early access coverage premiums’ means  
9 premiums paid under part E of title XVIII of the Social  
10 Security Act.

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

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

20 **“SEC. 7529. ADVANCE PAYMENT OF CREDIT FOR MEDICARE**  
21 **EARLY ACCESS PREMIUMS.**

22 “(a) GENERAL RULE.—The Secretary shall establish  
23 a program for making payments on behalf of individuals  
24 enrolled under part E of title XVIII of the Social Security  
25 Act to the Secretary of Health and Human Services for  
26 premiums payable by such individuals under such part.

1       “(b) LIMITATION ON ADVANCE PAYMENTS DURING  
 2 ANY TAXABLE YEAR.—The Secretary may make pay-  
 3 ments under subsection (a) only to the extent that the  
 4 total amount of such payments made on behalf of any indi-  
 5 vidual during the taxable year does not exceed the amount  
 6 allowable as a credit to such individual for such year under  
 7 section 36 (determined without regard to subsection (c)  
 8 thereof).”.

9       (c) CONFORMING AMENDMENTS.—

10           (1) Paragraph (2) of section 1324(b) of title  
 11 31, United States Code, is amended by inserting “or  
 12 36” after “section 35”.

13           (2) The table of sections for subpart C of part  
 14 IV of subchapter A of chapter 1 of the Internal Rev-  
 15 enue Code of 1986 is amended by striking the item  
 16 relating to section 36 and inserting the following  
 17 new items:

“36. Medicare early access premiums.

“37. Overpayments of tax.”.

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

“7529. Advance payment of credit for medicare early access premiums”.

1       (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2006.

○