

110TH CONGRESS  
1ST SESSION

# H. R. 4807

To amend the Social Security Act to protect Social Security cost-of-living adjustments (COLA).

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 18, 2007

Ms. HERSETH SANDLIN (for herself, Mr. WAXMAN, Ms. MCCOLLUM of Minnesota, Mr. VAN HOLLEN, Mrs. MALONEY of New York, Mr. GEORGE MILLER of California, Ms. SCHAKOWSKY, Mr. ROSS, Ms. BALDWIN, Mr. SERRANO, Mr. TIERNEY, Mr. NADLER, Mr. FILNER, Mr. MICHAUD, Ms. SOLIS, Mr. CUMMINGS, Ms. LINDA T. SÁNCHEZ of California, Mr. GRIJALVA, Ms. SLAUGHTER, Ms. SUTTON, and Mr. HARE) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, 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 the Social Security Act to protect Social Security cost-of-living adjustments (COLA).

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 “Social Security COLA  
5 Protection Act of 2007”.

1 **SEC. 2. PROTECTION OF SOCIAL SECURITY COLA IN-**  
2 **CREASES AGAINST EXCESSIVE MEDICARE**  
3 **PREMIUM INCREASES.**

4 (a) APPLICATION TO PART B PREMIUMS.—Section  
5 1839(f) of the Social Security Act (42 U.S.C. 1395r(f))  
6 is amended—

7 (1) by striking “(f) For any calendar year after  
8 1988” and inserting “(f) For any calendar year  
9 after 1988 and before 2008”; and

10 (2) by adding at the end the following new  
11 paragraph:

12 “(2) For any calendar year (beginning with 2008),  
13 if an individual is entitled to monthly benefits under sec-  
14 tion 202 or 223 or to a monthly annuity under section  
15 3(a), 4(a), or 4(f) of the Railroad Retirement Act of 1974  
16 for November and December of the preceding year, if the  
17 monthly premium of the individual under this section for  
18 December of the preceding year and for January of the  
19 year involved is deducted from those benefits under section  
20 1840(a)(1) or section 1840(b)(1), and if the amount of  
21 the individual’s premium is not adjusted for January of  
22 the year involved under subsection (i), the monthly pre-  
23 mium otherwise determined under this section for the indi-  
24 vidual for that year shall not be increased pursuant to sub-  
25 section (a)(3) to an amount that exceeds 25 percent of

1 the amount of the increase in such monthly benefits for  
2 that individual attributable to section 215(i).”.

3 (b) APPLICATION TO PART D PREMIUMS.—

4 (1) IN GENERAL.—Section 1860D–13(a)(1) of  
5 such Act (42 U.S.C. 1395ww–113(a)(1)) is amend-  
6 ed—

7 (A) in subparagraph (F), by striking “(D)  
8 and (E),” and inserting “(D), (E), and (F),”;

9 (B) by redesignating subparagraph (F) as  
10 subparagraph (G); and

11 (C) by inserting after subparagraph (E)  
12 the following new subparagraph:

13 “(F) PROTECTION OF SOCIAL SECURITY  
14 COLA INCREASE.—For any calendar year, if an  
15 individual is entitled to monthly benefits under  
16 section 202 or 223 or to a monthly annuity  
17 under section 3(a), 4(a), or 4(f) of the Railroad  
18 Retirement Act of 1974 for November and De-  
19 cember of the preceding year and was enrolled  
20 under a PDP plan or MA–PD plan for such  
21 months, the base beneficiary premium otherwise  
22 applied under this paragraph for the individual  
23 for months in that year shall be decreased by  
24 the amount (if any) by which the sum of the  
25 amounts described in the following clauses (i)

1 and (ii) exceeds 25 percent of the amount of  
2 the increase in such monthly benefits for that  
3 individual attributable to section 215(i):

4 “(i) PART D PREMIUM INCREASE FAC-  
5 TOR.—

6 “(I) IN GENERAL.—Except as  
7 provided in this clause, the amount of  
8 the increase (if any) in the adjusted  
9 national average monthly bid amount  
10 (as determined under subparagraph  
11 (B)(iii)) for a month in the year over  
12 such amount for a month in the pre-  
13 ceding year.

14 “(II) NO APPLICATION TO FULL  
15 PREMIUM SUBSIDY INDIVIDUALS.—In  
16 the case of an individual enrolled for  
17 a premium subsidy under section  
18 1860D–14(a)(1), zero.

19 “(III) SPECIAL RULE FOR PAR-  
20 TIAL PREMIUM SUBSIDY INDIVID-  
21 UALS.—In the case of an individual  
22 enrolled for a premium subsidy under  
23 section 1860D–14(a)(2), a percent of  
24 the increase described in subclause (I)  
25 equal to 100 percent minus the per-

1 cent applied based on the linear scale  
2 under such section.

3 “(ii) PART B PREMIUM INCREASE  
4 FACTOR.—If the individual is enrolled for  
5 such months under part B—

6 “(I) IN GENERAL.—Except as  
7 provided in subclause (II), the amount  
8 of the annual increase in premium ef-  
9 fective for such year resulting from  
10 the application of section 1839(a)(3),  
11 as reduced (if any) under section  
12 1839(f)(2).

13 “(II) NO APPLICATION TO INDI-  
14 VIDUALS PARTICIPATING IN MEDICARE  
15 SAVINGS PROGRAM.—In the case of an  
16 individual who is enrolled for medical  
17 assistance under title XIX for medi-  
18 care cost-sharing described in section  
19 1905(p)(3)(A)(ii), zero.”.

20 (2) APPLICATION UNDER MEDICARE ADVAN-  
21 TAGE PROGRAM.—Section 1854(b)(2)(B) of such Act  
22 (42 U.S.C. 1395w-24(b)(2)(B)), as in effect as of  
23 January 1, 2008, relating to MA monthly prescrip-  
24 tion drug beneficiary premium, is amended by in-  
25 serting after “as adjusted under section 1860D-

1 13(a)(1)(B)” the following: “and section 1860D–  
2 13(a)(1)(F)”.

3 (3) PAYMENT FROM MEDICARE PRESCRIPTION  
4 DRUG ACCOUNT.—Section 1860D–16(b) of such Act  
5 (42 U.S.C. 1395w–116(b)) is amended—

6 (A) in paragraph (1)—

7 (i) by striking “and” at the end of  
8 subparagraph (C);

9 (ii) by striking the period at the end  
10 of subparagraph (D) and inserting “;  
11 and”; and

12 (iii) by adding at the end the fol-  
13 lowing new subparagraph:

14 “(E) payment under paragraph (5) of pre-  
15 mium reductions effected under section 1860D–  
16 13(a)(1)(F).”; and

17 (B) by adding at the end the following new  
18 paragraph:

19 “(5) PAYMENT FOR COLA PROTECTION PRE-  
20 MIUM REDUCTIONS.—

21 “(A) IN GENERAL.—In addition to pay-  
22 ments provided under section 1860D–15 to a  
23 PDP sponsor or an MA organization, in the  
24 case of each part D eligible individual who is  
25 enrolled in a prescription drug plan offered by

1 such sponsor or an MA–PD plan offered by  
2 such organization and who has a premium re-  
3 duced under section 1860D–13(a)(1)(F), the  
4 Secretary shall provide for payment to such  
5 sponsor or organization of an amount equiva-  
6 lent to the amount of such premium reduction.

7 “(B) APPLICATION OF PROVISIONS.—The  
8 provisions of subsections (d) and (f) of section  
9 1860D–15 (relating to payment methods and  
10 disclosure of information) shall apply to pay-  
11 ment under subparagraph (A) in the same man-  
12 ner as they apply to payments under such sec-  
13 tion.”.

14 (c) DISREGARD OF PREMIUM REDUCTIONS IN DE-  
15 TERMINING DEDICATED REVENUES UNDER MMA COST  
16 CONTAINMENT.—Section 801(c)(3)(D) of the Medicare  
17 Prescription Drug, Improvement, and Modernization Act  
18 of 2003 (Public Law 108–173) is amended by adding at  
19 the end the following: “Such premiums shall also be deter-  
20 mined without regard to any reductions effected under  
21 section 1839(f)(2) or 1860D–13(a)(1)(F) of such title.”.

22 (d) EFFECTIVE DATES.—

23 (1) PART B PREMIUM.—The amendments made  
24 by subsection (a) apply to premiums for months be-  
25 ginning with January 2008.

1           (2) PART D PREMIUM.—The amendments made  
2           by subsection (b) apply to premiums for months be-  
3           ginning with January 2008.

4           (3) MMA PROVISION.—The amendment made  
5           by subsection (c) shall take effect on the date of the  
6           enactment of this Act.

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