

110TH CONGRESS  
1ST SESSION

# S. 1218

To provide quality, affordable health care for all Americans.

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IN THE SENATE OF THE UNITED STATES

APRIL 25, 2007

Mr. KENNEDY introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To provide quality, affordable health care for all Americans.

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 “Medicare for All Act”.

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. Medicare for all.

“TITLE XXII—MEDICARE FOR ALL

“Sec. 2201. Quality health care for all Americans.

“Sec. 2202. Eligibility, enrollment, and coverage.

“Sec. 2203. Benefits.

“Sec. 2204. Choice of coverage under private health care delivery systems.

“Sec. 2205. Medicare for All Trust Fund.

“Sec. 2206. Administration.

Sec. 3. Financing through employment tax.

Sec. 4. Collectively bargained plans.

1 **SEC. 2. MEDICARE FOR ALL.**

2 (a) ESTABLISHMENT OF PROGRAM.—The Social Se-  
3 curity Act is amended by adding at the end the following:

4 “TITLE XXII—MEDICARE FOR ALL

5 **“SEC. 2201. QUALITY HEALTH CARE FOR ALL AMERICANS.**

6 “The program under this title—

7 “(1) ensures that all Americans have high qual-  
8 ity, affordable health care;

9 “(2) ensures that all Americans have access to  
10 health care as good as their Member of Congress re-  
11 ceives; and

12 “(3) reduces the cost of health care and en-  
13 hances American economic competitiveness in the  
14 global marketplace.

15 **“SEC. 2202. ELIGIBILITY, ENROLLMENT, AND COVERAGE.**

16 “(a) ELIGIBILITY.—

17 “(1) IN GENERAL.—Each eligible individual is  
18 entitled to benefits under the program under this  
19 title.

20 “(2) ELIGIBLE INDIVIDUAL.—

21 “(A) IN GENERAL.—For purposes of this  
22 title, the term ‘eligible individual’ means an in-  
23 dividual who—

24 “(i) is—

1                   “(I) a citizen of the United  
2                   States; or

3                   “(II) a person who is lawfully  
4                   present in the United States; and

5                   “(ii) is not eligible for benefits under  
6                   part A or B of title XVIII.

7                   “(B) LAWFULLY PRESENT.—For purposes  
8                   of subparagraph (A)(i)(II), a person is lawfully  
9                   present in the United States if such person—

10                   “(i) is described in section 431 of  
11                   Public Law 104–193;

12                   “(ii) is described in section 103.12 of  
13                   title 8, Code of Federal Regulations (as in  
14                   effect as of the date of enactment of the  
15                   Medicare for All Act);

16                   “(iii) is eligible to apply for employ-  
17                   ment authorization from the Department  
18                   of Homeland Security as listed in section  
19                   274a.12 of title 8, Code of Federal Regula-  
20                   tions (as in effect as of the date of enact-  
21                   ment of the Medicare for All Act); or

22                   “(iv) is otherwise determined to be  
23                   lawfully present in the United States under  
24                   criteria established by the Secretary, in

1           consultation with the Secretary of Home-  
2           land Security.

3           “(3) PHASE-IN OF ELIGIBILITY.—

4           “(A) IN GENERAL.—Subject to subpara-  
5           graphs (B) and (C), under rules established by  
6           the Secretary, eligibility for benefits under this  
7           title shall be phased-in as follows:

8                   “(i) During the first 2 years the pro-  
9                   gram under this title is in operation, eligi-  
10                  ble individuals who are under 25 years of  
11                  age or who are over 55 years of age are el-  
12                  igible for such benefits.

13                  “(ii) During the second 2 years the  
14                  program under this title is in operation, el-  
15                  igible individuals who are under 35 years  
16                  of age or who are over 45 years of age are  
17                  eligible for such benefits.

18                  “(iii) All eligible individuals are eligi-  
19                  ble for such benefits beginning with the  
20                  fifth year in which the program under this  
21                  title is in operation.

22                  “(B) NO AGING OUT OF BENEFITS DURING  
23                  PHASE-IN.—Once an individual is eligible for  
24                  benefits under this title, the individual shall  
25                  continue to be so eligible as long as the indi-

1           vidual is an eligible individual (as defined in  
2           paragraph (2)).

3           “(C) ELIGIBILITY OF IMMEDIATE FAMILY  
4           MEMBERS DURING PHASE-IN.—If an individual  
5           is eligible for benefits under this title, each  
6           member of such individual’s immediate family  
7           shall be eligible for such benefits if that imme-  
8           diate family member is an eligible individual (as  
9           defined in paragraph (2)).

10          “(b) ENROLLMENT.—

11           “(1) IN GENERAL.—The Secretary shall estab-  
12           lish a process under which each eligible individual is  
13           deemed to be enrolled under the program under this  
14           title. Such process shall include the following:

15           “(A) Enrollment of family members at the  
16           same time and using a common form.

17           “(B) Deemed enrollment of an eligible in-  
18           dividual upon birth in the United States.

19           “(C) Enrollment of eligible individuals at  
20           the time of immigration into the United States.

21          “(2) ISSUANCE OF CARD.—

22           “(A) IN GENERAL.—The Secretary shall  
23           provide for issuance of an appropriate card for  
24           individuals entitled to benefits under the pro-  
25           gram under this title.

1           “(B) LINKING CARD TO AN ELECTRONIC  
2 HEALTH RECORD.—

3           “(i) IN GENERAL.—Not later than the  
4 sixth year the program under this title is  
5 in operation, the Secretary shall ensure  
6 that each such card is linked securely to an  
7 electronic health record for each such indi-  
8 vidual.

9           “(ii) PRIVACY PROTECTIONS.—The  
10 Secretary shall ensure that such card and  
11 such electronic health record include strong  
12 privacy protections.

13           “(iii) AUTHORITY.—In order to ac-  
14 complish the linkage under clause (i), the  
15 Secretary is authorized to award grants,  
16 issue contracts, alter reimbursement under  
17 the program under this title, or provide  
18 such other incentives as are reasonable and  
19 necessary.

20           “(c) COVERAGE.—

21           “(1) IN GENERAL.—Subject to paragraph (2),  
22 the Secretary shall provide for coverage of benefits  
23 for items and services furnished on and after the  
24 date an individual is entitled to benefits under the  
25 program under this title.

1           “(2) INITIAL COVERAGE.—No coverage is avail-  
2           able under the program under this title for items  
3           and services furnished before the date that is 18  
4           months after the date of the enactment of the Medi-  
5           care For All Act.

6           “(3) EXPIRATION OF COVERAGE.—An individ-  
7           ual’s coverage under the program under this title  
8           shall terminate as of the date the individual is no  
9           longer an eligible individual.

10          “(d) RELATION TO OTHER PROGRAMS.—

11           “(1) CONSTRUCTION.—

12           “(A) CONTINUED OPERATION OF PUBLIC  
13           PROGRAMS.—Nothing in this title, including the  
14           application of subsection (b), shall be construed  
15           as requiring (or preventing) an individual who  
16           is entitled to benefits under the program under  
17           this title from obtaining benefits that best suit  
18           their needs under any other public health care  
19           program to which the individual is entitled, in-  
20           cluding under a State Medicaid plan under title  
21           XIX, the State Children’s Health Insurance  
22           Program under title XXI, a health program of  
23           the Department of Defense under chapter 55 of  
24           title 10, United States Code, a health program  
25           of the Department of Veterans Affairs under

1 chapter 17 of title 38 of such Code, or a med-  
2 ical care program of the Indian Health Service  
3 or of a tribal organization.

4 “(B) CONTINUED OPERATION OF PRIVATE  
5 HEALTH INSURANCE.—Nothing in this title  
6 shall be construed as preventing—

7 “(i) an individual who is entitled to  
8 benefits under the program under this title  
9 from obtaining benefits that supplement or  
10 improve the benefits available under such  
11 program from any private health insurance  
12 plan or policy; or

13 “(ii) one or more employers from pro-  
14 viding or funding, pursuant to a collective  
15 bargaining agreement, such supplemental  
16 or improved benefits for individuals who  
17 are entitled to benefits under the program  
18 under this title.

19 “(2) PRIMARY PAYOR; OTHER PUBLIC PRO-  
20 GRAMS PROVIDING WRAP AROUND BENEFITS.—The  
21 program under this title shall be primary payor to  
22 other public health care benefit programs and the  
23 benefits under such other public health care benefit  
24 programs shall supplement the benefits under the  
25 program under this title.



1 **“SEC. 2203. BENEFITS.**

2       “(a) **COMPREHENSIVE BENEFIT PACKAGE.**—The  
3 Secretary shall provide for benefits under the program  
4 under this title consistent with the following:

5           “(1) **MEDICARE FEE-FOR-SERVICE BENEFITS.**—

6       The benefits include the full range and scope of ben-  
7 efits available under the original fee-for-service pro-  
8 gram under parts A and B of title XVIII.

9           “(2) **PRESCRIPTION DRUG COVERAGE.**—The  
10 benefits include coverage of prescription drugs at  
11 least as comprehensive as the prescription drug cov-  
12 erage offered as of January 1, 2007, under the Blue  
13 Cross/Blue Shield Standard Plan provided under the  
14 Federal employees health benefits program under  
15 chapter 89 of title 5, United States Code (in this  
16 title referred to as ‘FEHBP’). Such coverage shall  
17 be administered in the same manner as other bene-  
18 fits under this section.

19           “(3) **INCLUSION OF EPSDT SERVICES.**—The  
20 benefits include early and periodic screening, diag-  
21 nostic, and treatment services described in sub-  
22 sections (a)(4)(B) and (r) of section 1905 and pro-  
23 vided in accordance with section 1903(a)(43).

24           “(4) **PARITY IN COVERAGE OF MENTAL HEALTH**  
25 **BENEFITS.**—There shall not be any treatment limi-  
26 tations or financial requirements with respect to the

1 coverage of benefits for mental illnesses unless com-  
2 parable treatment limitations or financial require-  
3 ments are imposed on medical and surgical benefits.  
4 Nothing in this paragraph shall be construed to re-  
5 quire coverage for mental health benefits that are  
6 not medically necessary or to prohibit the appro-  
7 priate medical management of such benefits.

8 “(5) PREVENTIVE SERVICES.—The benefits  
9 shall include coverage of such additional preventive  
10 health care items and services as the Secretary shall  
11 specify, in consultation with the United States Pre-  
12 ventive Services Task Force.

13 “(6) HOME AND COMMUNITY BASED SERV-  
14 ICES.—The benefits shall include coverage of home  
15 and community-based services described in section  
16 1915(e)(4)(B).

17 “(7) ADDITIONAL BENEFITS.—The benefits  
18 shall include such additional benefits that the Sec-  
19 retary determines appropriate.

20 “(8) REVISION.—Nothing in this subsection  
21 shall be construed as preventing the Secretary from  
22 improving the benefit package from time to time to  
23 account for changes in medical practice, new infor-  
24 mation from medical research, and other relevant  
25 developments in health science.

1           “(9) ADJUSTMENT AUTHORIZED.—The Sec-  
2           retary shall, on a regular basis, evaluate whether  
3           adding any of the benefits described in paragraphs  
4           (1) through (7) is necessary or advisable to promote  
5           the health of beneficiaries under the program under  
6           title XVIII. The Secretary is authorized to improve  
7           the benefits available under such program, based  
8           upon such evaluation.

9           “(b) COST-SHARING.—

10           “(1) IN GENERAL.—Except as otherwise pro-  
11           vided under this subsection or subsection (a)(4),  
12           with respect to the benefits described in subsection  
13           (a)(1), such benefits shall be subject to the cost-  
14           sharing (in the form of deductibles, coinsurance, and  
15           copayments) and premiums applicable under the  
16           program described in such subsection.

17           “(2) PRESCRIPTION DRUG COVERAGE.—With  
18           respect to the benefits described in subsection (a)(2),  
19           such benefits shall be subject to the cost-sharing (in  
20           the form of deductibles, coinsurance, and copay-  
21           ments) applicable under the plan described in such  
22           subsection.

23           “(3) TREATMENT OF PREVENTIVE AND ADDI-  
24           TIONAL SERVICES.—With respect to benefits de-  
25           scribed in paragraphs (5) and (7) of subsection (a),

1 such benefits shall be subject to cost-sharing (in the  
2 form of deductibles, coinsurance, and copayments)  
3 that is consistent (as determined by the Secretary)  
4 with the cost-sharing applicable under paragraph  
5 (1).

6 “(4) TREATMENT OF EPSDT AND HOME AND  
7 COMMUNITY-BASED SERVICES.—With respect to ben-  
8 efits described in paragraphs (3) and (6) of sub-  
9 section (a), such benefits shall be subject to nominal  
10 cost-sharing (in the form of deductibles, coinsurance,  
11 and copayments) that is consistent (as determined  
12 by the Secretary) with the cost-sharing applicable to  
13 such services under section 1916 (as in effect on  
14 January 1, 2007).

15 “(5) REDUCTION IN COST-SHARING FOR LOW-  
16 INCOME INDIVIDUALS.—The Secretary shall provide  
17 for reduced cost-sharing for low-income individuals  
18 in a manner that is no less protective than the re-  
19 duced cost-sharing for individuals under section  
20 1902(a)(10)(E) (as in effect on January 1, 2007).

21 “(6) FAMILY PREMIUM.—The Secretary shall  
22 establish a premium for members of the same family  
23 with respect to benefits under the program under  
24 this title.

1       “(c) FREEDOM TO CHOOSE YOUR OWN DOCTOR AND  
2 HEALTH PLAN.—Except in the case of individuals who  
3 elect enrollment in a private health plan under section  
4 2204, the provisions of section 1802 shall apply under this  
5 title.

6       “(d) PAYMENT SCHEDULE.—

7           “(1) IN GENERAL.—The Secretary, with the as-  
8 sistance of the Medicare Payment Advisory Commis-  
9 sion, shall develop and implement a payment sched-  
10 ule for benefits covered under the program under  
11 this title which are provided other than through pri-  
12 vate health plans. To the extent feasible, such pay-  
13 ment schedule shall be consistent with comparable  
14 payment schedules and reimbursement methodolo-  
15 gies applied to benefits provided under parts A and  
16 B of title XVIII, except, that with respect to the  
17 coverage of prescription drugs, the Secretary shall  
18 provide for payment in accordance with a payment  
19 schedule developed and implemented under the pre-  
20 vious sentence.

21           “(2) ADDITIONAL PAYMENTS FOR QUALITY.—

22 The Secretary shall establish procedures to provide  
23 reimbursement in addition to the reimbursement  
24 under paragraph (1) to health care providers that  
25 achieve measures (as established by the Secretary in

1 consultation with health care professionals and  
2 groups representing eligible individuals) of health  
3 care quality. The Secretary shall ensure that such  
4 measures include measures of appropriate use of  
5 health information technology.

6 “(e) APPLICATION OF BENEFICIARY PROTEC-  
7 TIONS.—The Secretary shall provide for protections of  
8 beneficiaries under the program under this title that are  
9 not less than the beneficiary protections provided under  
10 title XVIII, including appeal rights and limitations on bal-  
11 ance billing.

12 **“SEC. 2204. CHOICE OF COVERAGE UNDER PRIVATE**  
13 **HEALTH CARE DELIVERY SYSTEMS.**

14 “(a) IN GENERAL.—The Secretary shall provide a  
15 process for—

16 “(1) the offering of private health plans for the  
17 provision of benefits under the program under this  
18 title; and

19 “(2) the enrollment, disenrollment, termination,  
20 and change in enrollment of eligible individuals in  
21 such plans.

22 “(b) OFFERING OF PRIVATE HEALTH PLANS.—

23 “(1) IN GENERAL.—The Secretary shall enter  
24 into contracts with qualified entities for the offering  
25 of private health plans under the program under this

1 title. In entering into such contracts the Secretary  
2 shall have the same authority that the Director of  
3 the Office of Personnel Management has with re-  
4 spect to health benefits plans under FEHBP.

5 “(2) REQUIREMENTS.—The Secretary shall not  
6 enter into such a contract for the offering of a pri-  
7 vate health plan under the program under this title  
8 unless at least the following requirements are met:

9 “(A) BENEFITS AS GOOD AS YOUR CON-  
10 GRESSMAN GETS.—Benefits under such plans  
11 are similar to or no less than the health bene-  
12 fits coverage in any of the 4 largest health ben-  
13 efits plans (determined by enrollment) offered  
14 under FEHBP. Such plans may provide health  
15 benefits in addition to such required benefits  
16 and may impose a premium for the provision of  
17 benefits. Such plans may not provide for finan-  
18 cial payments or rebates to enrollees.

19 “(B) BENEFICIARY PROTECTIONS.—En-  
20 rollees in such plans have beneficiary protec-  
21 tions that are not less than the beneficiary pro-  
22 tections applicable under this title to individuals  
23 not so enrolled and shall include beneficiary  
24 protections applicable under both FEHBP and  
25 part C of title XVIII.

1           “(C) OTHER ADMINISTRATIVE REQUIRE-  
2           MENTS.—The plans are subject to such require-  
3           ments relating to licensure and solvency, protec-  
4           tion against fraud and abuse, inspection, disclo-  
5           sure, periodic auditing, and administrative oper-  
6           ations and efficiencies as the Secretary identi-  
7           fies, taking into account similar requirements  
8           under FEHBP and part C of title XVIII.

9           “(c) ANNUAL OPEN ENROLLMENT.—The process  
10          under subsection (a)(2) shall provide for an annual open  
11          enrollment period in which individuals may enroll, and  
12          change or terminate enrollment, in private health plans  
13          in a manner similar to that provided under FEHBP as  
14          of January 1, 2007.

15          “(d) PAYMENT TO PRIVATE HEALTH PLANS.—

16                 “(1) IN GENERAL.—In the case of an individual  
17                 enrolled in a private health plan under this section  
18                 for a month, the Secretary shall provide for payment  
19                 of an amount equal to  $\frac{1}{12}$  of the annual per capita  
20                 amount (described in paragraph (2), as adjusted  
21                 under paragraph (3)).

22                 “(2) ANNUAL PER CAPITA AMOUNT.—The an-  
23                 nual per capita amount under this paragraph shall  
24                 be the annual average per capita cost of providing  
25                 benefits under the program under this title (includ-



1       ing both individuals enrolled and not enrolled under  
2       private health plan), as computed by the Secretary  
3       based on rules similar to the rules described in sec-  
4       tion 1876(a)(4).

5           “(3) RISK-ADJUSTMENT.—In making payment  
6       under this subsection, the Secretary shall apply risk  
7       adjustment factors similar to those applied to pay-  
8       ments to Medicare Advantage organizations under  
9       section 1853, except that the Secretary shall ensure  
10      that payments under this subsection are adjusted  
11      based on such factors to ensure that the health sta-  
12      tus of the enrollee is reflected in such adjusted pay-  
13      ments, including adjusting for the difference between  
14      the health status of the enrollee and individuals re-  
15      ceiving benefits under the program under this title  
16      who are not so enrolled. Payments under this sub-  
17      section must, in aggregate, reflect such differences.

18      “(e) REQUIREMENTS FOR FEHBP CARRIERS.—  
19      Each contract entered into or renewed under section 8902  
20      of title 5, United States Code, shall require the carrier  
21      to offer a separate plan under this section on similar terms  
22      and conditions to, but with a separate risk pool from, the  
23      plan offered by the carrier under FEHBP.

1 **“SEC. 2205. MEDICARE FOR ALL TRUST FUND.**

2       “(a) ESTABLISHMENT OF TRUST FUND.—There is  
3 hereby created on the books of the Treasury of the United  
4 States a trust fund to be known as the ‘Medicare for All  
5 Trust Fund’ (in this section referred to as the ‘Trust  
6 Fund’). The Trust Fund shall consist of such gifts and  
7 bequests as may be made as provided in section 201(i)(1),  
8 and such amounts as may be deposited in, or appropriated  
9 to, such fund as provided in this part.

10       “(b) TRANSFERS TO TRUST FUND.—There are here-  
11 by appropriated to the Medicare for All Trust Fund, out  
12 of any moneys in the Treasury not otherwise appropriated,  
13 amounts equivalent to—

14               “(1) the taxes received in the Treasury under  
15 sections 1401(c), 3101(c), and 3111(c) of the Inter-  
16 nal Revenue Code of 1986;

17               “(2) such portion of the taxes received in the  
18 Treasury under section 3201 as are attributable to  
19 the rate specified in section 3101(e) of such Code;

20               “(3) such portion of the taxes received in the  
21 Treasury under section 3211 of such Code as are at-  
22 tributable to the sum of the rates specified in section  
23 3101(e) and 3111(c) of such Code; and

24               “(4) such portion of the taxes received in the  
25 Treasury under section 3221 as are attributable to  
26 the rate specified in section 3111(c) of such Code.

1 The amounts appropriated by the preceding sentence shall  
2 be transferred from time to time from the general fund  
3 in the Treasury to the Trust Fund, such amounts to be  
4 determined on the basis of estimates by the Secretary of  
5 the Treasury of the taxes, specified in the preceding sen-  
6 tence, paid to or deposited into the Treasury, and proper  
7 adjustments shall be made in amounts subsequently trans-  
8 ferred to the extent prior estimates were in excess of or  
9 were less than the taxes specified in such sentence.

10 “(c) INCORPORATION OF PROVISIONS.—

11 “(1) IN GENERAL.—Subject to paragraph (2),  
12 subsections (b) through (i) of section 1817 shall  
13 apply with respect to the Trust Fund and this title  
14 in the same manner as they apply with respect to  
15 the Federal Hospital Insurance Trust Fund and  
16 part A of title XVIII, respectively.

17 “(2) MISCELLANEOUS REFERENCES.—In apply-  
18 ing provisions of section 1817 under paragraph  
19 (1)—

20 “(A) any reference in such section to ‘this  
21 part’ is construed to refer to this title;

22 “(B) any reference to taxes referred to in  
23 subsection (a) of such section shall be construed  
24 to refer to the taxes referred to in subsection  
25 (b) of this section; and

1           “(C) the Board of Trustees of the Medi-  
2           care for All Trust Fund shall be the same as  
3           the Board of Trustees of the Federal Hospital  
4           Insurance Trust Fund.

5 **“SEC. 2206. ADMINISTRATION.**

6           “Except as otherwise provided in this title—

7           “(1) the Secretary shall enter into appropriate  
8           contracts with providers of services, other health  
9           care providers, and medicare administrative contrac-  
10          tors, taking into account, and based to the greatest  
11          extent practicable upon, the types of contracts used  
12          under title XVIII with respect to such entities, to  
13          administer the program under this title;

14          “(2) benefits described in section 2203 that are  
15          payable under the program under this title to such  
16          individuals shall be paid in a manner specified by  
17          the Secretary (taking into account, and based to the  
18          greatest extent practicable upon, the manner in  
19          which they are provided under title XVIII); and

20          “(3) provider participation agreements under  
21          title XVIII shall apply to enrollees and benefits  
22          under the program under this title in the same man-  
23          ner as they apply to enrollees and benefits under the  
24          program under title XVIII.”.

1 (b) CONFORMING AMENDMENTS TO SOCIAL SECUR-  
2 RITY ACT PROVISIONS.—

3 (1) Section 201(i)(1) of the Social Security Act  
4 (42 U.S.C. 401(i)(1)) is amended—

5 (A) by striking “or the Federal Supple-  
6 mentary” and inserting “the Federal Supple-  
7 mentary”; and

8 (B) by inserting “or the Medicare for All  
9 Trust Fund” after “such Trust Fund”).

10 (2) Section 201(g)(1)(A) of such Act (42  
11 U.S.C. 401(g)(1)(A)) is amended by striking “and  
12 the Federal Supplementary Medical Insurance Trust  
13 Fund established by title XVIII” and inserting “,  
14 the Federal Supplementary Medical Insurance Trust  
15 Fund established by title XVIII, and the Medicare  
16 for All Trust Fund established under title XXII”.

17 (c) MAINTENANCE OF MEDICAID ELIGIBILITY AND  
18 BENEFITS.—In order for a State to continue to be eligible  
19 for payments under section 1903(a) of the Social Security  
20 Act (42 U.S.C. 1396b(a)) the State may not reduce stand-  
21 ards of eligibility, cost-sharing requirements, or benefits  
22 provided under its State Medicaid plan under title XIX  
23 of the Social Security Act below such standards of eligi-  
24 bility and benefits in effect on the date of the enactment  
25 of this Act.

1 **SEC. 3. FINANCING THROUGH EMPLOYMENT TAX.**

2 (a) TAX ON EMPLOYEES.—Section 3101 of the Inter-  
3 nal Revenue Code of 1986 is amended by redesignating  
4 subsection (c) as subsection (d) and by inserting after sub-  
5 section (b) the following new subsection:

6 “(c) MEDICARE FOR ALL.—

7 “(1) IN GENERAL.—In addition to other taxes,  
8 there is hereby imposed on the income of every indi-  
9 vidual a tax equal to 1.7 percent of the wages (as  
10 defined in section 3121(a)) received by him with re-  
11 spect to employment (as defined in section 3121(b))  
12 that are in excess of \$25,000. The preceding sen-  
13 tence shall not apply to wages received by an indi-  
14 vidual with respect to employment during any period  
15 unless the individual (or a family member of the in-  
16 dividual) is enrolled in the program under title XXII  
17 of the Social Security Act during such period.

18 “(2) INFLATION ADJUSTMENT.—In the case of  
19 any taxable year beginning in a calendar year after  
20 2008, the dollar amount contained in paragraph (1)  
21 shall be increased by an amount equal to—

22 “(A) such dollar amount, multiplied by

23 “(B) the cost-of-living adjustment deter-  
24 mined under section 1(f)(3) for the calendar  
25 year in which the taxable year begins, by sub-

1           stituting ‘calendar year 2007’ for ‘calendar year  
2           1992’ in subparagraph (B) thereof.

3 If any increase determined under the preceding sentence  
4 is not a multiple of \$50, such increase shall be rounded  
5 to the next lowest multiple of \$50.”.

6           (b) TAX ON EMPLOYERS.—Section 3111 of such  
7 Code is amended by redesignating subsection (c) as sub-  
8 section (d) and by inserting after subsection (b) the fol-  
9 lowing new subsection:

10           “(c) MEDICARE FOR ALL.—In addition to other  
11 taxes, there is hereby imposed on every employer an excise  
12 tax, with respect to having individuals in his employ, equal  
13 to 7 percent of the wages (as defined in section 3121(a))  
14 paid by him with respect to employment (as defined in  
15 section 3121(b)). The preceding sentence shall not apply  
16 to wages paid with respect to employment of an individual  
17 during any period unless the individual (or a family mem-  
18 ber of the individual) is enrolled in the program under title  
19 XXII of the Social Security Act during such period.”.

20           (c) TAX ON SELF-EMPLOYMENT.—Section 1401 of  
21 such Code is amended by redesignating subsection (c) as  
22 subsection (d) and by inserting after subsection (b) the  
23 following new subsection:

24           “(c) MEDICARE FOR ALL.—In addition to other  
25 taxes, there shall be imposed for each taxable year, on the

1 self-employment income of every individual, a tax equal  
2 to the applicable percent of the self-employment income  
3 for such taxable year. For purposes of the preceding sen-  
4 tence, the applicable percent is a percent equal to the sum  
5 of the percent described in section 3101(c) (but only with  
6 respect to self-employment income that is in excess of the  
7 amount described in paragraph (1) of such section, as ad-  
8 justed under paragraph (2) of such section) plus the per-  
9 cent described in section 3111(c). This subsection shall  
10 not apply to self-employment income of an individual for  
11 a taxable year unless the individual (or a family member  
12 of the individual) is enrolled in the program under title  
13 XXII of the Social Security Act during such taxable  
14 year.”.

15 (d) RAILROAD RETIREMENT TAX.—

16 (1) TAX ON EMPLOYEES.—Section 3201(a) of  
17 such Code is amended by striking “subsections (a)  
18 and (b) of section 3101” and inserting “subsections  
19 (a), (b), and (c) of section 3101”.

20 (2) TAX ON EMPLOYEE REPRESENTATIVES.—  
21 Section 3211(a) of such Code is amended by striking  
22 “subsections (a) and (b) of section 3101 and sub-  
23 sections (a) and (b) of section 3111” and inserting  
24 “subsections (a), (b), and (c) of section 3101 and  
25 subsections (a), (b), and (c) of section 3111”.



1           (3) TAX ON EMPLOYERS.—Section 3221(a) of  
2 such Code is amended by striking “subsections (a)  
3 and (b) of section 3111” and inserting “subsections  
4 (a), (b), and (c) of section 3111”.

5           (4) DETERMINATION OF CONTRIBUTION  
6 BASE.—Clause (iii) of section 3231(e)(2)(A) is  
7 amended to read as follows:

8                   “(iii) HOSPITAL INSURANCE AND  
9 MEDICARE FOR ALL TAXES.—Clause (i)  
10 shall not apply to—

11                           “(I) so much of the rate applica-  
12 ble under section 3201(a) or 3221(a)  
13 as does not exceed the sum of the  
14 rates of tax in effect under sub-  
15 sections (b) and (c) of section 3101,  
16 and

17                           “(II) so much of the rate applica-  
18 ble under section 3211(a) as does not  
19 exceed the sum of the rates of tax in  
20 effect under subsections (b) and (c) of  
21 section 1401.”.

22           (e) APPLICATION OF TAX TO FEDERAL, STATE, AND  
23 LOCAL EMPLOYMENT.—Paragraphs (1) and (2) of section  
24 3121(u) and section 3125(a) of such Code are each  
25 amended by striking “sections 3101(b) and 3111(b)” and

1 inserting “subsections (b) and (c) of section 3101 and sub-  
2 sections (b) and (c) of section 3111”.

3 (f) CONFORMING AMENDMENTS.—

4 (1) Section 1402(a)(12)(B) of such Code is  
5 amended by striking “subsections (a) and (b) of sec-  
6 tion 1401” and inserting “subsections (a), (b), and  
7 (c) of section 1401”.

8 (2) Section 3121(q) of such Code is amended  
9 by striking “subsections (a) and (b) of section  
10 3111” and inserting “subsections (a), (b), and (c) of  
11 section 3111”.

12 (3) The last sentence of section 6051(a) of such  
13 Code is amended by striking “sections 3101(c) and  
14 3111(e)” and inserting “sections 3101(d) and  
15 3111(d)”.

16 (g) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to wages paid and self-employment  
18 income derived on or after January 1 of the year following  
19 the date of the enactment of this Act.

20 **SEC. 4. COLLECTIVELY BARGAINED PLANS.**

21 (a) IN GENERAL.—Except as provided in subsection  
22 (c), nothing in this Act, or the amendments made by this  
23 Act, shall be construed as affecting obligations to provide  
24 or fund health care benefits under any group health plan  
25 established or maintained under or pursuant to one or

1 more collective bargaining agreements between employee  
2 representatives and one or more employers in effect on the  
3 date of enactment of this Act.

4 (b) APPLICATION.—The Medicare for All program  
5 under title XXII of the Social Security Act, as added by  
6 section 2(a), shall not apply to eligible individuals (as de-  
7 fined in section 2202(a)(2) of such Act (as so added)) cov-  
8 ered by a group health plan described in subsection (a)  
9 until the applicable collective bargaining agreement termi-  
10 nates.

11 (c) LIMITING BENEFITS TO INDIVIDUALS NOT YET  
12 ELIGIBLE FOR MEDICARE FOR ALL.—A group health plan  
13 described in subsection (a) may, in accordance with an  
14 agreement between the parties, limit coverage under the  
15 plan to individuals who are not eligible for benefits under  
16 such Medicare for All program.

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