

113TH CONGRESS
2^D SESSION

H. R. 3966

To amend titles XVIII and XIX of the Social Security Act to provide for equitable treatment of residents of the territories with respect to low-income subsidies under the Medicare prescription drug benefit program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2014

Mr. PIERLUISI (for himself, Mrs. CHRISTENSEN, Ms. BORDALLO, Mr. SABLAN, Mr. FALEOMAVAEGA, Mr. GRAYSON, and Mr. RANGEL) 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

A BILL

To amend titles XVIII and XIX of the Social Security Act to provide for equitable treatment of residents of the territories with respect to low-income subsidies under the Medicare prescription drug benefit program, 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.**

4 This Act may be cited as the “Territories Medicare
5 Prescription Drug Assistance Equity Act of 2014”.

1 **SEC. 2. EQUITABLE TREATMENT OF RESIDENTS OF TERRI-**
2 **TORIES IN PREMIUM AND COST-SHARING**
3 **SUBSIDIES UNDER MEDICARE PRESCRIPTION**
4 **DRUG PROGRAM.**

5 (a) **MEDICARE ASSISTANCE.**—Section 1860D–
6 14(a)(3) of the Social Security Act (42 U.S.C. 1395w–
7 114(a)(3)) is amended by striking subparagraph (F).

8 (b) **MEDICAID ASSISTANCE.**—Section 1935 of the So-
9 cial Security Act (42 U.S.C. 1396v) is amended—

10 (1) in subsection (c)(1)(A)—

11 (A) by inserting “(and each other State for
12 each month beginning with January 2016)”
13 after “January 2006”; and

14 (B) in clause (i), by inserting “or (2)(B)
15 (as the case may be)” after “paragraph
16 (2)(A)”;

17 (2) in subsection (c)(2)—

18 (A) in subparagraph (A)—

19 (i) by amending the heading to read
20 as follows: “COMPUTATION FOR 50 STATES
21 AND THE DISTRICT OF COLUMBIA”; and

22 (ii) by striking “a State described in
23 paragraph (1)” and inserting “one of the
24 50 States or the District of Columbia”;

25 (B) in subparagraph (B)—

1 (i) by striking “subparagraph (A)”
2 and inserting “subparagraph (A) or (B)
3 (as the case may be)”; and

4 (ii) by redesignating such subpara-
5 graph as subparagraph (C); and

6 (C) by inserting after subparagraph (A)
7 the following new subparagraph:

8 “(B) COMPUTATION FOR TERRITORIES.—
9 The amount computed under this paragraph for
10 a State not described in subparagraph (A) and
11 for a month in a year (beginning with 2016) is
12 equal to—

13 “(i) $\frac{1}{12}$ of the product of—

14 “(I) the amount determined
15 under subsection (e) for the State for
16 2015; and

17 “(II) 100 percent minus the
18 highest possible Federal medical as-
19 sistance percentage that may be ap-
20 plied to any of the 50 States for fiscal
21 year 2014 under section 1905(b)(1);
22 and

23 “(ii) increased for each year ((begin-
24 ning with 2016) up to and including the
25 year involved) by the applicable growth

1 factor specified in paragraph (4) for that
2 year.”; and

3 (3) in subsection (e)—

4 (A) in paragraph (1)—

5 (i) in subparagraph (A), by striking
6 “of such State; and” and inserting “of
7 such State for years before 2016;”;

8 (ii) in subparagraph (B)—

9 (I) by inserting “for periods be-
10 fore January 1, 2016” after “(B)”;
11 and

12 (II) by striking the period at the
13 end and inserting “; and”; and

14 (iii) by adding at the end the fol-
15 lowing new subparagraph:

16 “(C) for the first 3 quarters of fiscal year
17 2016 and for each subsequent fiscal year, the
18 amount otherwise applied under section 1108(f)
19 for the State shall be increased by the amount
20 specified in paragraph (4)(A) for such period or
21 fiscal year.”;

22 (B) in paragraph (2), by striking “The
23 Secretary” and inserting “For periods before
24 January 2016, the Secretary”;

25 (C) in paragraph (3)—

1 (i) in the heading, by inserting “BE-
2 FORE SECOND QUARTER OF FISCAL YEAR
3 2016” after “INCREASED AMOUNT”;

4 (ii) in subparagraph (A)—

5 (I) in the matter before clause
6 (i), by inserting “or other fiscal pe-
7 riod” after “for a year”; and

8 (II) in clause (i), by inserting
9 “for such year or period” after “sub-
10 paragraph (B)”; and

11 (iii) in subparagraph (B)—

12 (I) in clause (ii), by striking “or”
13 at the end;

14 (II) in clause (iii), by striking “in
15 a subsequent year” and inserting “in
16 a subsequent fiscal year (before the
17 second quarter of fiscal year 2016)”
18 and by striking the period at the end
19 and inserting “; and”; and

20 (III) by adding at the end the
21 following:

22 “(iv) for the first quarter of fiscal
23 year 2016, is equal to 25 percent of the
24 aggregate amount specified in this sub-
25 paragraph for the previous fiscal year in-

1 creased by the annual percentage increase
2 specified in section 1860D–2(b)(6) for the
3 year involved.”;

4 (D) by striking paragraph (4); and

5 (E) by inserting after paragraph (3) the
6 following new paragraph:

7 “(4) INCREASED AMOUNT BEGINNING WITH
8 SECOND QUARTER OF FISCAL YEAR 2016.—

9 “(A) IN GENERAL.—The amount specified
10 in this paragraph for a State for the last 3
11 quarters of fiscal year 2016 or for a subsequent
12 fiscal year is equal to the product of—

13 “(i) the aggregate amount specified in
14 subparagraph (B) for such period or fiscal
15 year; and

16 “(ii) the ratio (as estimated by the
17 Secretary) of—

18 “(I) the number of individuals
19 who are entitled to benefits under
20 part A or enrolled under part B and
21 who reside in the State (as deter-
22 mined by the Secretary based on the
23 most recent available data before the
24 beginning of the period or year); to

1 “(II) the sum of such numbers
2 for all States that are subject to this
3 subsection.

4 “(B) AGGREGATE AMOUNT.—The aggre-
5 gate amount specified in this subparagraph
6 for—

7 “(i) the last 3 quarters of fiscal year
8 2016, is equal to 3 times the amount spec-
9 ified in paragraph (3)(B)(iv);

10 “(ii) fiscal year 2017, is equal to 4
11 times the amount specified in paragraph
12 (3)(B)(iv) increased by the same annual
13 percentage increase as is applied to in-
14 creases in the amounts applied for the fis-
15 cal year and State under section 1108(f);
16 or

17 “(iii) a subsequent fiscal year, is equal
18 to the aggregate amount specified in this
19 subparagraph for the previous fiscal year
20 increased by the same annual percentage
21 increase as is applied for the fiscal year
22 and State under section 1108(f).”.

23 (c) CONFORMING AMENDMENTS.—

1 (1) Section 1108(f) of the Social Security Act
2 (42 U.S.C. 1308(f)) is amended by striking
3 “1935(e)(1)(B)” and inserting “1935(e)(1)”.

4 (2) Section 1860D–14(a)(3)(C) of the Social
5 Security Act (42 U.S.C. 1395w–114(a)(3)(C)) is
6 amended by adding at the end the following: “The
7 poverty line to be applied in the territories shall be
8 the same as the poverty line applied to States in the
9 continental United States.”.

10 (d) EFFECTIVE DATES.—The amendments made by
11 subsections (a) and (c)(2) shall be effective as of January
12 1, 2016, and the amendments made by subsections (b) and
13 (c)(1) shall take effect on the date of the enactment of
14 this Act.

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