

108TH CONGRESS
2D SESSION

S. 2754

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

IN THE SENATE OF THE UNITED STATES

JULY 22, 2004

Mr. DASCHLE (for himself, Mr. REED, Mrs. MURRAY, Mr. JOHNSON, Ms. MIKULSKI, Ms. CANTWELL, Ms. STABENOW, and Mr. LEAHY) introduced the following bill; which was read twice and referred to the Committee on Finance

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 2004”.

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)(1) For any calendar year
9 after 1988 and before 2005”; and

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

12 “(2) For any calendar year (beginning with 2005),
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 13(a)(1)(B)" the following: "and section 1860D–
2 13(a)(1)(F)".

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 2005.

