

109TH CONGRESS
2D SESSION

H. R. 5211

To improve the quality of life for senior citizens.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2006

Mr. PAUL introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, 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 improve the quality of life for senior citizens.

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 “Senior Citizen’s Im-
5 proved Quality of Life Act”.

6 **SEC. 2. PRESERVATION OF SOCIAL SECURITY.**

7 (a) INVESTMENT OF THE FEDERAL OLD-AGE AND
8 SURVIVORS INSURANCE TRUST FUND AND THE FEDERAL
9 DISABILITY INSURANCE TRUST FUND.—

1 (1) IN GENERAL.—Section 201(d) of the Social
2 Security Act (42 U.S.C. 401(d)) is amended—

3 (A) by inserting “(1)” after “(d)”;

4 (B) by striking “Such investments may be
5 made only” and inserting the following: “Ex-
6 cept as provided in paragraph (2), such invest-
7 ments may be made only”;

8 (C) by striking the last sentence; and

9 (D) by adding at the end the following new
10 paragraph:

11 “(2)(A) The Managing Trustee shall determine the
12 annual surplus (as defined in subparagraph (B)) for each
13 of the Trust Funds as of the end of each fiscal year. The
14 Managing Trustee shall ensure that such annual surplus
15 is invested, throughout the next following fiscal year, in—

16 “(i) marketable interest-bearing obligations of
17 the United States or obligations guaranteed as to
18 both principal and interest by the United States,
19 purchased on original issue or at the market price,
20 or

21 “(ii) certificates of deposit in insured depository
22 institutions (as defined in section 3(c)(2) of the Fed-
23 eral Deposit Insurance Act).

1 “(B) For purposes of this paragraph, the ‘annual sur-
2 plus’ for either of the Trust Funds as of the end of a
3 fiscal year is the excess (if any) of—

4 “(i) the sum of—

5 “(I) in the case of the Federal Old-Age
6 and Survivors Insurance Trust Fund, the
7 amounts appropriated to such Trust Fund
8 under paragraphs (3) and (4) of subsection (a)
9 for the fiscal year,

10 “(II) in the case of the Federal Disability
11 Insurance Trust Fund, the amounts appro-
12 priated to such Trust Fund under paragraphs
13 (1) and (2) of subsection (b) for the fiscal year,
14 and

15 “(III) in either case, the amount appro-
16 priated to such Trust Fund under section
17 121(e) of the Social Security Amendments of
18 1983 for the fiscal year, and any amounts oth-
19 erwise credited to or deposited in such Trust
20 Fund under this title for the fiscal year, over

21 “(ii) the amounts paid or transferred from such
22 Trust Fund during the fiscal year.”.

23 (2) EFFECTIVE DATE.—The amendments made
24 by this subsection shall apply with respect to annual

1 surpluses as of the end of fiscal years beginning on
2 or after October 1, 2005.

3 (b) PROTECTION OF THE SOCIAL SECURITY TRUST
4 FUNDS FROM THE PUBLIC DEBT LIMIT.—

5 (1) PROTECTION OF TRUST FUNDS.—Notwith-
6 standing any other provision of law—

7 (A) no officer or employee of the United
8 States may—

9 (i) delay the deposit of any amount
10 into (or delay the credit of any amount to)
11 the Federal Old-Age and Survivors Insur-
12 ance Trust Fund or the Federal Disability
13 Insurance Trust Fund or otherwise vary
14 from the normal terms, procedures, or tim-
15 ing for making such deposits or credits, or

16 (ii) refrain from the investment in
17 public debt obligations of amounts in ei-
18 ther of such Trust Funds, if a purpose of
19 such action or inaction is to not increase
20 the amount of outstanding public debt obli-
21 gations, and

22 (B) no officer or employee of the United
23 States may disinvest amounts in either of such
24 Trust Funds which are invested in public debt
25 obligations if a purpose of the disinvestment is

1 to reduce the amount of outstanding public
2 debt obligations.

3 (2) PROTECTION OF BENEFITS AND EXPENDI-
4 TURES FOR ADMINISTRATIVE EXPENSES.—

5 (A) IN GENERAL.—Notwithstanding para-
6 graph (1), during any period for which cash
7 benefits or administrative expenses would not
8 otherwise be payable from the Federal Old-Age
9 and Survivors Insurance Trust Fund or the
10 Federal Disability Insurance Trust Fund by
11 reason of an inability to issue further public
12 debt obligations because of the applicable public
13 debt limit, public debt obligations held by such
14 Trust Fund shall be sold or redeemed only for
15 the purpose of making payment of such benefits
16 or administrative expenses and only to the ex-
17 tent cash assets of such Trust Fund are not
18 available from month to month for making pay-
19 ment of such benefits or administrative ex-
20 penses.

21 (B) ISSUANCE OF CORRESPONDING
22 DEBT.—For purposes of undertaking the sale
23 or redemption of public debt obligations held by
24 the Federal Old-Age and Survivors Insurance
25 Trust Fund or the Federal Disability Insurance

1 Trust Fund pursuant to subparagraph (A), the
2 Secretary of the Treasury may issue cor-
3 responding public debt obligations to the public,
4 in order to obtain the cash necessary for pay-
5 ment of benefits or administrative expenses
6 from such Trust Fund, notwithstanding the
7 public debt limit.

8 (C) ADVANCE NOTICE OF SALE OR RE-
9 DEMPTION.—Not less than 3 days prior to the
10 date on which, by reason of the public debt
11 limit, the Secretary of the Treasury expects to
12 undertake a sale or redemption authorized
13 under subparagraph (A), the Secretary of the
14 Treasury shall report to each House of the Con-
15 gress and to the Comptroller General of the
16 United States regarding the expected sale or re-
17 demption. Upon receipt of such report, the
18 Comptroller General shall review the extent of
19 compliance with paragraph (1) and subpara-
20 graphs (A) and (B) of this paragraph and shall
21 issue such findings and recommendations to
22 each House of the Congress as the Comptroller
23 General considers necessary and appropriate.

24 (3) PUBLIC DEBT OBLIGATION.—For purposes
25 of this subsection, the term “public debt obligation”

1 means any obligation subject to the public debt limit
 2 established under section 3101 of title 31, United
 3 States Code.

4 **SEC. 3. SOCIAL SECURITY FOR AMERICANS ONLY.**

5 (a) LIMITATIONS ON COVERAGE OF INDIVIDUALS
 6 BASED ON EARNINGS OF INDIVIDUALS WHO ARE NOT
 7 CITIZENS OR NATIONALS OF THE UNITED STATES.—Sec-
 8 tion 215(e) of the Social Security Act (42 U.S.C. 415(e))
 9 is amended—

10 (1) by redesignating paragraphs (1) and (2) as
 11 subparagraphs (A) and (B), respectively;

12 (2) by inserting “(1)” after “(e)”; and

13 (3) by adding at the end the following new
 14 paragraph:

15 “(2) For purposes of subsections (b) and (d), in com-
 16 puting an individual’s average indexed monthly earnings,
 17 or in the case of an individual whose primary insurance
 18 amount is computed under section 215(a) as in effect
 19 prior to January 1979, average monthly wage, such indi-
 20 vidual shall not be credited with—

21 “(A) any wages paid to such individual after
 22 December 31, 2006, while such individual is not a
 23 citizen or national of the United States, or

24 “(B) any self-employment income derived by
 25 such individual during any taxable year beginning

1 after December 31, 2006, while such individual is
2 not a citizen or national of the United States.”.

3 (b) REVISION OF AUTHORIZATION FOR TOTAL-
4 IZATION AGREEMENTS.—

5 (1) IN GENERAL.—Section 233 of the Social
6 Security Act (42 U.S.C. 433) is amended to read as
7 follows:

8 “INTERNATIONAL AGREEMENTS

9 “SEC. 233. The President is authorized to enter into
10 agreements (subject to the other provisions of this title
11 and of chapters 2 and 21 of the Internal Revenue Code
12 of 1986) establishing arrangements between the United
13 States and any foreign country for the purpose of resolv-
14 ing questions of entitlement to, and participation in, the
15 social security system established by this title and the so-
16 cial security system of such foreign country. Any such
17 agreement shall take into account the limitations on the
18 crediting of wages and self-employment income under sec-
19 tion 215(e)(2).”.

20 (2) EFFECTIVE DATE; TERMINATION OF EXIST-
21 ING AGREEMENTS.—The amendment made by para-
22 graph (1) shall apply with respect to agreements
23 taking effect after the date of the enactment of this
24 Act. Any agreement in effect on such date which
25 was entered into under section 233 of the Social Se-
26 curity Act (as in effect immediately before such date

1 of enactment) shall terminate on December 31, 2006
2 (or as provided in such agreement, if earlier).

3 **SEC. 4. SENIORS' HEALTH CARE FREEDOM.**

4 (a) FACILITATING THE USE OF PRIVATE CONTRACTS
5 UNDER THE MEDICARE PROGRAM.—Section 1802(b) of
6 the Social Security Act (42 U.S.C. 1395a(b)) is amended
7 by striking paragraph (3) and by redesignating para-
8 graphs (4) and (5) as paragraphs (3) and (4), respectively.

9 (b) NO ELIGIBILITY CONDITION BASED ON REFUSAL
10 TO PARTICIPATE IN A GOVERNMENT PROGRAM.—No per-
11 sons otherwise eligible for old-age benefits under Social
12 Security shall be denied such benefits because of their vol-
13 untary refusal to participate in any part of the Medicare
14 program.

15 **SEC. 5. REPEAL OF INCLUSION IN GROSS INCOME OF SO-**
16 **CIAL SECURITY BENEFITS.**

17 (a) IN GENERAL.—Section 86 of the Internal Rev-
18 enue Code of 1986 (relating to social security benefits)
19 is amended by adding at the end the following new sub-
20 section:

21 “(g) TERMINATION.—This section shall not apply to
22 any taxable year beginning after the date of the enactment
23 of this subsection.”.

24 (b) SOCIAL SECURITY TRUST FUNDS HELD HARM-
25 LESS.—

1 (1) IN GENERAL.—There are hereby appro-
 2 priated (out of any money in the Treasury not other-
 3 wise appropriated) for each fiscal year to each fund
 4 under the Social Security Act or the Railroad Re-
 5 tirement Act of 1974 an amount equal to the reduc-
 6 tion in the transfers to such fund for such fiscal
 7 year by reason of section 86(g) of the Internal Rev-
 8 enue Code of 1986.

9 (2) NO TAX INCREASES.—It is the sense of the
 10 Congress that tax increases will not be used to pro-
 11 vide the revenue necessary to carry out paragraph
 12 (1).

13 **SEC. 6. INCOME TAX CREDIT FOR PRESCRIPTION DRUGS**
 14 **PURCHASED BY INDIVIDUALS WHO HAVE AT-**
 15 **TAINED RETIREMENT AGE.**

16 (a) IN GENERAL.—Subpart A of part IV of sub-
 17 chapter A of chapter 1 of the Internal Revenue Code of
 18 1986 (relating to nonrefundable personal credits) is
 19 amended by inserting after section 25D the following new
 20 section:

21 **“SEC. 25E. PRESCRIPTION DRUGS PURCHASED BY INDIVID-**
 22 **UALS WHO HAVE ATTAINED SOCIAL SECU-**
 23 **RITY RETIREMENT AGE.**

24 “(a) IN GENERAL.—In the case of an individual who
 25 has attained social security retirement age, there shall be

1 allowed as a credit against the tax imposed by this chapter
2 for the taxable year an amount equal to 80 percent of the
3 amount paid by the taxpayer during the taxable year (and
4 not compensated for by insurance or otherwise) for any
5 prescribed drug (as defined in section 213(d)(3)) for use
6 by such individual.

7 “(b) SOCIAL SECURITY RETIREMENT AGE.—For
8 purposes of this section, the term ‘social security retire-
9 ment age’ means retirement age (as defined in section
10 216(l)(1) of the Social Security Act).

11 “(c) DENIAL OF DOUBLE BENEFIT.—

12 “(1) COORDINATION WITH MEDICAL EXPENSE
13 DEDUCTION.—The amount which would (but for this
14 subsection) be taken into account by the taxpayer
15 under section 213 for the taxable year shall be re-
16 duced by the credit (if any) allowed by this section
17 to the taxpayer for such year.

18 “(2) COORDINATION WITH MEDICAL AND
19 HEALTH SAVINGS ACCOUNTS.—No credit shall be al-
20 lowed under this section for amounts paid from any
21 Archer MSA (as defined in section 220(d)) or any
22 health savings account (as defined in section
23 223(d)).

24 “(d) ELECTION NOT TO HAVE CREDIT APPLY.—This
25 section shall not apply to a taxpayer for a taxable year

1 if the taxpayer elects not to have this section apply for
2 such year.”.

3 (b) CLERICAL AMENDMENT.—The table of sections
4 for subpart A of part IV of subchapter A of chapter 1
5 of such Code is amended by inserting after the item relat-
6 ing to section 25D the following new item:

“Sec. 25E. Prescription drugs purchased by individuals who have attained social
security retirement age”

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning more
9 than 1 year after the date of the enactment of this Act.

10 **SEC. 7. FACILITATION OF IMPORTATION OF DRUGS AP-**
11 **PROVED BY FOOD AND DRUG ADMINISTRA-**
12 **TION AND INTERNET SALES OF PRESCRIP-**
13 **TION DRUGS.**

14 (a) FACILITATION OF IMPORTATION OF DRUGS AP-
15 PROVED BY FOOD AND DRUG ADMINISTRATION.—Chap-
16 ter VIII of the Federal Food, Drug, and Cosmetic Act (21
17 U.S.C. 381 et seq.) is amended—

18 (1) by striking section 804; and

19 (2) in section 801(d)—

20 (A) by striking paragraph (2); and

21 (B) by striking “(d)(1)” and all that fol-
22 lows through the end of paragraph (1) and in-
23 serting the following:

1 “(d)(1)(A) A person who meets applicable legal re-
2 quirements to be an importer of drugs described in sub-
3 paragraph (B) may import such a drug (without regard
4 to whether the person is a manufacturer of the drug) if
5 the person submits to the Secretary an application to im-
6 port the drug and the Secretary approves the application.

7 “(B) For purposes of subparagraph (A), the drugs
8 described in this subparagraph are drugs that are subject
9 to section 503(b)(1) or that are composed wholly or partly
10 of insulin.

11 “(C) The Secretary shall approve an application
12 under subparagraph (A) if the application demonstrates
13 that the drug to be imported meets all requirements under
14 this Act for the admission of the drug into the United
15 States, including demonstrating that—

16 “(i) an application for the drug has been ap-
17 proved under section 505, or as applicable, under
18 section 351 of the Public Health Service Act; and

19 “(ii) the drug is not adulterated or misbranded.

20 “(D) Not later than 60 days after the date on which
21 an application under subparagraph (A) is submitted to the
22 Secretary, the Secretary shall—

23 “(i) approve the application; or

1 “(ii) refuse to approve the application and pro-
2 vide to the person who submitted the application the
3 reason for such refusal.

4 “(E) This paragraph may not be construed as affect-
5 ing any right secured by patent.”.

6 (b) INTERNET SALES OF PRESCRIPTION DRUGS.—
7 Section 503(b) of the Federal Food, Drug, and Cosmetic
8 Act (21 U.S.C. 353(b)) is amended by adding at the end
9 the following paragraph:

10 “(6)(A) With respect to the interstate sale of a pre-
11 scription drug through an Internet site, the Secretary may
12 not with respect to such sale take any action under this
13 Act against any of the persons involved if—

14 “(i) the sale was made in compliance with this
15 Act and with State laws that are applicable to the
16 sale of the drug; and

17 “(ii) accurate information regarding compliance
18 with this Act and such State laws is posted on the
19 Internet site.

20 “(B) For purposes of subparagraph (A), the sale of
21 a prescription drug by a person shall be considered to be
22 an interstate sale of the drug through an Internet site if—

23 “(i) the purchaser of the drug submits the pur-
24 chase order for the drug, or conducts any other part

1 of the sales transaction for the drug, through an
2 Internet site; and

3 “(ii) pursuant to such sale, the person intro-
4 duces the drug into interstate commerce or delivers
5 the drug for introduction into such commerce.

6 “(C) Subparagraph (A) may not be construed as au-
7 thorizing the Secretary to enforce any violation of State
8 law.

9 “(D) For purposes of this paragraph, the term ‘pre-
10 scription drug’ means a drug that is subject to paragraph
11 (1).”.

12 (c) CONFORMING AMENDMENTS.—Section 801(d) of
13 the Federal Food, Drug, and Cosmetic Act (21 U.S.C.
14 381(d)) is amended—

15 (1) by redesignating paragraphs (3) and (4) as
16 paragraphs (2) and (3), respectively;

17 (2) in subclause (III) of paragraph (2)(A)(i) (as
18 redesignated by this subsection), by striking “para-
19 graph (4)” and inserting “paragraph (3)”; and

20 (3) in paragraph (3) (as redesignated by this
21 subsection), by striking “paragraph (3)” each place
22 such term appears and inserting “paragraph (2)”.

23 (d) REGULATIONS OF SECRETARY OF HEALTH AND
24 HUMAN SERVICES; EFFECTIVE DATE.—

1 (1) REGULATIONS.—Before the expiration of
2 the period specified in paragraph (2), the Secretary
3 of Health and Human Services shall promulgate reg-
4 ulations to carry out the amendments to the Federal
5 Food, Drug, and Cosmetic Act that are made by this
6 section.

7 (2) EFFECTIVE DATE.—The amendments to the
8 Federal Food, Drug, and Cosmetic Act that are
9 made by this section take effect upon the expiration
10 of the one-year period beginning on the date of the
11 enactment of this Act, without regard to whether the
12 regulations required in paragraph (1) have been pro-
13 mulgated.

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