

109TH CONGRESS  
1ST SESSION

# S. 1795

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

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 29, 2005

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

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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 2005”.

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 2006”; and

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

12 “(2) For any calendar year (beginning with  
13 2006), if an individual is entitled to monthly benefits  
14 under section 202 or 223 or to a monthly annuity  
15 under section 3(a), 4(a), or 4(f) of the Railroad Re-  
16 tirement Act of 1974 for November and December  
17 of the preceding year, if the monthly premium of the  
18 individual under this section for December of the  
19 preceding year and for January of the year involved  
20 is deducted from those benefits under section  
21 1840(a)(1) or section 1840(b)(1), and if the amount  
22 of the individual’s premium is not adjusted for Jan-  
23 uary of the year involved under subsection (i), the  
24 monthly premium otherwise determined under this  
25 section for the individual for that year shall not be  
26 increased pursuant to subsection (a)(3) to an

1 amount that exceeds 25 percent of the amount of  
2 the increase in such monthly benefits for that indi-  
3 vidual attributable to section 215(i).”.

4 (b) APPLICATION TO PART D PREMIUMS.—

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

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

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

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

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

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

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

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

15 “(II) NO APPLICATION TO FULL  
16 PREMIUM SUBSIDY INDIVIDUALS.—In  
17 the case of an individual enrolled for  
18 a premium subsidy under section  
19 1860D–14(a)(1), zero.

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

1 equal to 100 percent minus the per-  
2 cent applied based on the linear scale  
3 under such section.

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

7 “(I) IN GENERAL.—Except as  
8 provided in subclause (II), the amount  
9 of the annual increase in premium ef-  
10 fective for such year resulting from  
11 the application of section 1839(a)(3),  
12 as reduced (if any) under section  
13 1839(f)(2).

14 “(II) NO APPLICATION TO INDI-  
15 VIDUALS PARTICIPATING IN MEDICARE  
16 SAVINGS PROGRAM.—In the case of an  
17 individual who is enrolled for medical  
18 assistance under title XIX for Medi-  
19 care cost-sharing described in section  
20 1905(p)(3)(A)(ii), zero.”.

21 (2) APPLICATION UNDER MEDICARE ADVAN-  
22 TAGE PROGRAM.—Section 1854(b)(2)(B) of such Act  
23 (42 U.S.C. 1395w-24(b)(2)(B)), as in effect as of  
24 January 1, 2006, relating to MA monthly prescrip-  
25 tion drug beneficiary premium, is amended by in-

1       serting after “as adjusted under section 1860D–  
 2       13(a)(1)(B)” the following: “and section 1860D–  
 3       13(a)(1)(F)”.

4               (3) PAYMENT FROM MEDICARE PRESCRIPTION  
 5       DRUG ACCOUNT.—Section 1860D–16(b) of such Act  
 6       (42 U.S.C. 1395w–116(b)) is amended—

7               (A) in paragraph (1)—

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

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

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

15                      “(E) payment under paragraph (5) of pre-  
 16               mium reductions effected under section 1860D–  
 17               13(a)(1)(F).”;

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

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

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

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

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

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

23 (d) EFFECTIVE DATES.—

1           (1) PART B PREMIUM.—The amendments made  
2           by subsection (a) apply to premiums for months be-  
3           ginning with January 2006.

4           (2) PART D PREMIUM.—The amendments made  
5           by subsection (b) apply to premiums for months be-  
6           ginning with January 2007.

7           (3) MMA PROVISION.—The amendment made  
8           by subsection (c) shall take effect on the date of the  
9           enactment of this Act.

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