

109TH CONGRESS  
2D SESSION

# S. 2229

To provide quality, affordable health care for all Americans.

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IN THE SENATE OF THE UNITED STATES

JANUARY 31, 2006

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. Description of program.

“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.

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. DESCRIPTION OF PROGRAM.**

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.—Under rules  
4 established by the Secretary, eligibility for benefits  
5 under this title shall be phased-in as follows:

6 “(A) During the first 5 years the program  
7 under this title is in operation, eligible individ-  
8 uals who are under 20 years of age or who are  
9 over 55 years of age are eligible for such bene-  
10 fits.

11 “(B) During the second 5 years the pro-  
12 gram under this title is in operation, eligible in-  
13 dividuals who are under 30 years of age or who  
14 are over 45 years of age are eligible for such  
15 benefits.

16 “(C) All eligible individuals are eligible for  
17 such benefits beginning with the eleventh year  
18 in which the program under this title is in oper-  
19 ation.

20 “(b) AUTOMATIC ENROLLMENT.—

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

1           “(A) Deemed enrollment of an eligible in-  
2           dividual upon birth in the United States.

3           “(B) Enrollment of eligible individuals at  
4           the time of immigration into the United States.

5           “(2) ISSUANCE OF CARD.—The Secretary shall  
6           provide for issuance of an appropriate card for indi-  
7           viduals entitled to benefits under the program under  
8           this title. Not later than the sixth year the program  
9           under this title is in operation, the Secretary shall  
10          ensure that each such card is linked securely, and  
11          with strong privacy protections, to an electronic  
12          health record for each such individual. In order to  
13          accomplish such linkage, the Secretary is authorized  
14          to award grants, issue contracts, alter reimburse-  
15          ment under the program under this title, or provide  
16          such other incentives as are reasonable and nec-  
17          essary.

18          “(c) COVERAGE.—

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

24               “(2) INITIAL COVERAGE.—No coverage is avail-  
25               able under the program under this title for items

1 and services furnished before the date that is 18  
2 months after the date of the enactment of the Medi-  
3 care For All Act.

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

8 “(d) RELATION TO OTHER PROGRAMS.—

9 “(1) CONSTRUCTION.—

10 “(A) CONTINUED OPERATION OF PUBLIC  
11 PROGRAMS.—Nothing in this title shall be con-  
12 strued as requiring (or preventing) an indi-  
13 vidual who is entitled to benefits under the pro-  
14 gram under this title from obtaining benefits  
15 under any other public health care program to  
16 which the individual is entitled, including under  
17 a State Medicaid plan under title XIX, the  
18 State Children’s Health Insurance Program  
19 under title XXI, a health program of the De-  
20 partment of Defense under chapter 55 of title  
21 10, United States Code, a health program of  
22 the Department of Veterans Affairs under  
23 chapter 17 of title 38 of such Code, or a med-  
24 ical care program of the Indian Health Service  
25 or of a tribal organization.

1           “(B) CONTINUED OPERATION OF PRIVATE  
 2           HEALTH INSURANCE.—Nothing in this title  
 3           shall be construed as preventing an individual  
 4           who is entitled to benefits under the program  
 5           under this title from obtaining benefits that  
 6           supplement or improve the benefits available  
 7           under such program from any private health in-  
 8           surance plan or policy.

9           “(2) PRIMARY PAYOR; OTHER PUBLIC PRO-  
 10          GRAMS PROVIDING WRAP AROUND BENEFITS.—The  
 11          program under this title shall be primary payor to  
 12          other public health care benefit programs and the  
 13          benefits under such other public health care benefit  
 14          programs shall supplement the benefits under the  
 15          program under this title.

16   **“SEC. 2203. BENEFITS.**

17          “(a) COMPREHENSIVE BENEFIT PACKAGE.—The  
 18          Secretary shall provide for benefits under the program  
 19          under this title consistent with the following:

20               “(1) MEDICARE FEE-FOR-SERVICE BENEFITS.—  
 21          The benefits include the full range and scope of ben-  
 22          efits available under the original fee-for-service pro-  
 23          gram under parts A and B of title XVIII.

24               “(2) PRESCRIPTION DRUG COVERAGE.—The  
 25          benefits include coverage of prescription drugs at

1 least as comprehensive as the prescription drug cov-  
2 erage offered as of January 1, 2006, under the Blue  
3 Cross/Blue Shield Standard Plan provided under the  
4 Federal employees health benefits program under  
5 chapter 89 of title 5, United States Code (in this  
6 title referred to as ‘FEHBP’). Such coverage shall  
7 be administered in the same manner as other bene-  
8 fits under this section.

9 “(3) INCLUSION OF EPSDT.—The benefits in-  
10 clude benefits for early and periodic screening, diag-  
11 nostic, and treatment services (as defined in section  
12 1905(r)) for individuals who are under the age of  
13 21.

14 “(4) PARITY IN COVERAGE OF MENTAL HEALTH  
15 BENEFITS.—

16 “(A) IN GENERAL.—There shall not be any  
17 treatment limitations or financial requirements  
18 with respect to the coverage of benefits for  
19 mental illnesses unless comparable treatment  
20 limitations or financial requirements are im-  
21 posed on medical and surgical benefits. Nothing  
22 in this subparagraph shall be construed to re-  
23 quire coverage for mental health benefits that  
24 are not medically necessary or to prohibit the



1 appropriate medical management of such bene-  
2 fits.

3 “(B) RELATED DEFINITIONS.—For pur-  
4 poses of this paragraph—

5 “(i) FINANCIAL REQUIREMENTS.—  
6 The term ‘financial requirements’ includes  
7 deductibles, coinsurance, co-payments,  
8 other cost-sharing, and limitations on the  
9 total amount that may be paid by an indi-  
10 vidual with respect to benefits and shall in-  
11 clude the application of annual and lifetime  
12 limits.

13 “(ii) MENTAL HEALTH BENEFITS.—  
14 The term ‘mental health benefits’ means  
15 benefits with respect to services for all cat-  
16 egories of mental health conditions listed  
17 in the Diagnostic and Statistical Manual of  
18 Mental Disorders, Fourth Edition (DSM  
19 IV–TR), or the most recent edition if dif-  
20 ferent than the Fourth Edition, if such  
21 services are included as part of an author-  
22 ized treatment plan that is in accordance  
23 with standard protocols and such services  
24 meet medical necessity criteria. Such term  
25 does not include benefits with respect to

1 the treatment of substance abuse or chem-  
2 ical dependency.

3 “(iii) TREATMENT LIMITATIONS.—

4 The term ‘treatment limitations’ means  
5 limitations on the frequency of treatment,  
6 number of visits or days of coverage, or  
7 other similar limits on the duration or  
8 scope of treatment under the qualifying  
9 health benefit plan.

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

15 “(6) HOME AND COMMUNITY BASED SERV-  
16 ICES.—The benefits shall include coverage of home  
17 and community-based services described in section  
18 1915(c)(4)(B).

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

22 “(8) REVISION.—Nothing in this subsection  
23 shall be construed as preventing the Secretary from  
24 improving the benefit package from time to time to  
25 account for changes in medical practice, new infor-

1 mation from medical research, and other relevant  
2 developments in health science.

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

11 “(b) COST-SHARING.—

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

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

1           “(3) TREATMENT OF PREVENTIVE AND ADDI-  
 2           TIONAL SERVICES.—With respect to benefits de-  
 3           scribed in paragraphs (5) and (7) of subsection (a),  
 4           such benefits shall be subject to cost-sharing (in the  
 5           form of deductibles, coinsurance, and copayments)  
 6           that is consistent (as determined by the Secretary)  
 7           with the cost-sharing applicable under paragraph  
 8           (1).

9           “(4) TREATMENT OF EPSDT AND HOME AND  
 10          COMMUNITY-BASED SERVICES.—With respect to ben-  
 11          efits described in paragraphs (3) and (6) of sub-  
 12          section (a), such benefits shall be subject to nominal  
 13          cost-sharing (in the form of deductibles, coinsurance,  
 14          and copayments) that is consistent (as determined  
 15          by the Secretary) with the cost-sharing applicable to  
 16          such services under section 1916 (as in effect on  
 17          January 1, 2006).

18          “(5) REDUCTION IN COST-SHARING FOR LOW-  
 19          INCOME INDIVIDUALS.—The Secretary shall provide  
 20          for reduced cost-sharing for low-income individuals  
 21          in a manner that is no less protective than the re-  
 22          duced cost-sharing for individuals under section  
 23          1902(a)(10)(E) (as in effect on January 1, 2006).

24          “(c) FREEDOM TO CHOOSE YOUR OWN DOCTOR AND  
 25          HEALTH PLAN.—Except in the case of individuals who

1 elect enrollment in a private health plan under section  
2 2204, the provisions of section 1802 shall apply under this  
3 title.

4 “(d) PAYMENT SCHEDULE.—

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

19 “(2) ADDITIONAL PAYMENTS FOR QUALITY.—

20 The Secretary shall establish procedures to provide  
21 reimbursement in addition to the reimbursement  
22 under paragraph (1) to health care providers that  
23 achieve measures (as established by the Secretary in  
24 consultation with health care professionals and  
25 groups representing eligible individuals) of health

1 care quality. The Secretary shall ensure that such  
 2 measures include measures of appropriate use of  
 3 health information technology.

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

10 **“SEC. 2204. CHOICE OF COVERAGE UNDER PRIVATE**  
 11 **HEALTH CARE DELIVERY SYSTEMS.**

12 “(a) IN GENERAL.—The Secretary shall provide a  
 13 process for—

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

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

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

21 “(1) IN GENERAL.—The Secretary shall enter  
 22 into contracts with qualified entities for the offering  
 23 of private health plans under the program under this  
 24 title. In entering into such contracts the Secretary  
 25 shall have the same authority that the Director of

1 the Office of Personnel Management has with re-  
2 spect to health benefits plans under FEHBP.

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

7 “(A) BENEFITS AS GOOD AS YOUR CON-  
8 GRESSMAN GETS.—Benefits under such plans  
9 are not less than the benefits offered to Mem-  
10 bers of Congress and Federal employees under  
11 FEHBP. Such plans may provide health bene-  
12 fits in addition to such required benefits and  
13 may impose a premium for the provision of ben-  
14 efits. Such plans may not provide for financial  
15 payments or rebates to enrollees.

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

23 “(C) OTHER ADMINISTRATIVE REQUIRE-  
24 MENTS.—The plans are subject to such require-  
25 ments relating to licensure and solvency, protec-

1           tion against fraud and abuse, inspection, disclo-  
 2           sure, periodic auditing, and administrative oper-  
 3           ations and efficiencies as the Secretary identi-  
 4           fies, taking into account similar requirements  
 5           under FEHBP and part C of title XVIII.

6           “(c) ANNUAL OPEN ENROLLMENT.—The process  
 7           under subsection (a)(2) shall provide for an annual open  
 8           enrollment period in which individuals may enroll, and  
 9           change or terminate enrollment, in private health plans  
 10          in a manner similar to that provided under FEHBP as  
 11          of January 1, 2006.

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

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

19               “(2) ANNUAL PER CAPITA AMOUNT.—The an-  
 20           nual per capita amount under this paragraph shall  
 21           be the annual average per capita cost of providing  
 22           benefits under the program under this title (includ-  
 23           ing both individuals enrolled and not enrolled under  
 24           private health plan), as computed by the Secretary



1 based on rules similar to the rules described in sec-  
 2 tion 1876(a)(4).

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

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

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

23 “(a) ESTABLISHMENT OF TRUST FUND.—There is  
 24 hereby created on the books of the Treasury of the United  
 25 States a trust fund to be known as the ‘Medicare for All

1 Trust Fund’ (in this section referred to as the ‘Trust  
 2 Fund’). The Trust Fund shall consist of such gifts and  
 3 bequests as may be made as provided in section 201(i)(1),  
 4 and such amounts as may be deposited in, or appropriated  
 5 to, such fund as provided in this part.

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

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

13 “(2) such portion of the taxes received in the  
 14 Treasury under section 3201 as are attributable to  
 15 the rate specified in section 3101(c) of such Code;

16 “(3) such portion of the taxes received in the  
 17 Treasury under section 3211 of such Code as are at-  
 18 tributable to the sum of the rates specified in section  
 19 3101(c) and 3111(c) of such Code; and

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

23 The amounts appropriated by the preceding sentence shall  
 24 be transferred from time to time from the general fund  
 25 in the Treasury to the Trust Fund, such amounts to be

1 determined on the basis of estimates by the Secretary of  
 2 the Treasury of the taxes, specified in the preceding sen-  
 3 tence, paid to or deposited into the Treasury, and proper  
 4 adjustments shall be made in amounts subsequently trans-  
 5 ferred to the extent prior estimates were in excess of or  
 6 were less than the taxes specified in such sentence.

7 “(c) INCORPORATION OF PROVISIONS.—

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

14 “(2) MISCELLANEOUS REFERENCES.—In apply-  
 15 ing provisions of section 1817 under paragraph  
 16 (1)—

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

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

23 “(C) the Board of Trustees of the Medi-  
 24 care for All Trust Fund shall be the same as

1           the Board of Trustees of the Federal Hospital  
2           Insurance Trust Fund.

3   **“SEC. 2206. ADMINISTRATION.**

4           “Except as otherwise provided in this title—

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

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

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

22          (b) CONFORMING AMENDMENTS TO SOCIAL SECU-  
23          RITY ACT PROVISIONS.—

24                 (1) Section 201(i)(1) of the Social Security Act  
25                 (42 U.S.C. 401(i)(1)) is amended—

1 (A) by striking “or the Federal Supple-  
 2 mentary ” and inserting “the Federal Supple-  
 3 mentary”; and

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

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

13 (c) MAINTENANCE OF MEDICAID ELIGIBILITY AND  
 14 BENEFITS.—In order for a State to continue to be eligible  
 15 for payments under section 1903(a) of the Social Security  
 16 Act (42 U.S.C. 1396b(a)) the State may not reduce stand-  
 17 ards of eligibility or benefits provided under its State Med-  
 18 icaid plan under title XIX of the Social Security Act below  
 19 such standards of eligibility and benefits in effect on the  
 20 date of the enactment of this Act.

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

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

1       “(c) MEDICARE FOR ALL.—In addition to other  
 2 taxes, there is hereby imposed on the income of every indi-  
 3 vidual a tax equal to 1.7 percent of the wages (as defined  
 4 in section 3121(a)) received by him with respect to em-  
 5 ployment (as defined in section 3121(b)).”.

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)).”.

16       (c) TAX ON SELF-EMPLOYMENT.—Section 1401 of  
 17 such Code is amended by redesignating subsection (c) as  
 18 subsection (d) and by inserting after subsection (b) the  
 19 following new subsection:

20       “(c) MEDICARE FOR ALL.—In addition to other  
 21 taxes, there shall be imposed for each taxable year, on the  
 22 self-employment income of every individual, a tax equal  
 23 to the applicable percent of the self-employment income  
 24 for such taxable year. For purposes of the preceding sen-  
 25 tence, the applicable percent is a percent equal to the sum

1 of the percent described in section 3101(c) plus the per-  
 2 cent described in section 3111(c).”.

3 (d) RAILROAD RETIREMENT TAX.—

4 (1) TAX ON EMPLOYEES.—Section 3201(a) of  
 5 such Code is amended by striking “subsections (a)  
 6 and (b) of section 3101” and inserting “subsections  
 7 (a), (b), and (c) of section 3101”.

8 (2) TAX ON EMPLOYEE REPRESENTATIVES.—  
 9 Section 3211(a) of such Code is amended by striking  
 10 “subsections (a) and (b) of section 3101 and sub-  
 11 sections (a) and (b) of section 3111” and inserting  
 12 “subsections (a), (b), and (c) of section 3101 and  
 13 subsections (a), (b), and (c) of section 3111”.

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

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

21 “(iii) HOSPITAL INSURANCE AND  
 22 MEDICARE FOR ALL TAXES.—Clause (i)  
 23 shall not apply to—

24 “(I) so much of the rate applica-  
 25 ble under section 3201(a) or 3221(a)

1 as does not exceed the sum of the  
 2 rates of tax in effect under sub-  
 3 sections (b) and (c) of section 3101,  
 4 and

5 “(II) so much of the rate applica-  
 6 ble under section 3211(a) as does not  
 7 exceed the sum of the rates of tax in  
 8 effect under subsections (b) and (c) of  
 9 section 1401.”.

10 (e) APPLICATION OF TAX TO FEDERAL, STATE, AND  
 11 LOCAL EMPLOYMENT.—Paragraphs (1) and (2) of section  
 12 3121(u) and section 3125(a) of such Code are each  
 13 amended by striking “sections 3101(b) and 3111(b)” and  
 14 inserting “subsections (b) and (c) of section 3101 and sub-  
 15 sections (b) and (c) of section 3111”.

16 (f) CONFORMING AMENDMENTS.—

17 (1) Section 1402(a)(12)(B) of such Code is  
 18 amended by striking “subsections (a) and (b) of sec-  
 19 tion 1401” and inserting “subsections (a), (b), and  
 20 (c) of section 1401”.

21 (2) Section 3121(q) of such Code is amended  
 22 by striking “subsections (a) and (b) of section  
 23 3111” and inserting “subsections (a), (b), and (c) of  
 24 section 3111”.



1           (3) The last sentence of section 6051(a) of such  
2       Code is amended by striking “sections 3101(c) and  
3       3111(c)” and inserting “sections 3101(d) and  
4       3111(d)”.

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

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