

110TH CONGRESS
1ST SESSION

H. R. 1536

To amend part D of title XVIII of the Social Security Act to assist low-income individuals in obtaining subsidized prescription drug coverage under the Medicare prescription drug program by expediting the application and qualification process and by revising the resource standards used to determine eligibility for such subsidies, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 15, 2007

Mr. DOGGETT (for himself, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. ALLEN, Mr. ANDREWS, Mr. BACA, Mr. BECERRA, Ms. BERKLEY, Mr. BERMAN, Mr. BERRY, Mr. BISHOP of Georgia, Mr. BISHOP of New York, Mr. BLUMENAUER, Ms. CORRINE BROWN of Florida, Mr. BUTTERFIELD, Mrs. CAPPS, Mr. CAPUANO, Mr. CARDOZA, Ms. CARSON, Ms. CASTOR, Mr. CHANDLER, Mrs. CHRISTENSEN, Ms. CLARKE, Mr. CLAY, Mr. CLEAVER, Mr. CLYBURN, Mr. COHEN, Mr. CONYERS, Mr. COSTELLO, Mr. COURTNEY, Mr. CROWLEY, Mr. CUELLAR, Mr. CUMMINGS, Mr. DAVIS of Alabama, Mr. DAVIS of Illinois, Mrs. DAVIS of California, Mr. DEFazio, Ms. DEGETTE, Mr. DELAHUNT, Ms. DELAURO, Mr. DOYLE, Mr. EDWARDS, Mr. ELLISON, Mr. EMANUEL, Mr. ENGEL, Mr. FALEOMAVAEGA, Mr. FARR, Mr. FATTAH, Mr. FILNER, Mr. FRANK of Massachusetts, Mr. GONZALEZ, Mr. GORDON of Tennessee, Mr. AL GREEN of Texas, Mr. GENE GREEN of Texas, Mr. GRIJALVA, Mr. GUTIERREZ, Mr. HARE, Mr. HASTINGS of Florida, Ms. HERSETH, Mr. HIGGINS, Mr. HINCHEY, Mr. HINOJOSA, Ms. HIRONO, Mr. HONDA, Mr. INSLEE, Mr. ISRAEL, Mr. JACKSON of Illinois, Ms. JACKSON-LEE of Texas, Mr. JEFFERSON, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. JOHNSON of Georgia, Mrs. JONES of Ohio, Mr. KANJORSKI, Ms. KAPTUR, Mr. KENNEDY, Mr. KILDEE, Ms. KILPATRICK, Mr. KLEIN of Florida, Mr. KUCINICH, Mr. LANGEVIN, Mr. LANTOS, Mr. LARSON of Connecticut, Ms. LEE, Mr. LEVIN, Mr. LEWIS of Georgia, Mr. LIPINSKI, Mrs. LOWEY, Mr. LYNCH, Mrs. MALONEY of New York, Ms. MATSUI, Ms. MCCOLLUM of Minnesota, Mr. McDERMOTT, Mr. MCGOVERN, Mr. McNULTY, Mr. MEEHAN, Mr. MEEK of Florida, Mr. MEEKS of New York, Mr. MICHAUD, Ms. MILLENDER-MCDONALD, Mr. MILLER of North Carolina, Mr. GEORGE MILLER of California, Mr. MOORE of Kansas, Ms. MOORE of Wisconsin, Mr. MORAN of Virginia, Mr. NADLER, Mrs. NAPOLITANO, Mr. NEAL of Massachusetts, Ms. NORTON, Mr. OBERSTAR, Mr. OLVER, Mr. ORTIZ, Mr. PASCRELL, Mr. PASTOR, Mr. PAYNE, Mr.

POMEROY, Mr. PRICE of North Carolina, Mr. RANGEL, Mr. RODRIGUEZ, Mr. ROSS, Mr. ROTHMAN, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. RYAN of Ohio, Ms. LINDA T. SÁNCHEZ of California, Ms. LORETTA SANCHEZ of California, Mr. SARBANES, Ms. SCHAKOWSKY, Mr. SCHIFF, Ms. SCHWARTZ, Mr. SCOTT of Virginia, Mr. SCOTT of Georgia, Mr. SERRANO, Mr. SHERMAN, Mr. SIRES, Ms. SLAUGHTER, Ms. SOLIS, Mr. STARK, Mr. STUPAK, Ms. SUTTON, Mr. THOMPSON of Mississippi, Mr. TIERNEY, Mr. TOWNS, Mr. UDALL of New Mexico, Mr. VAN HOLLEN, Ms. VELÁZQUEZ, Ms. WASSERMAN SCHULTZ, Ms. WATERS, Ms. WATSON, Mr. WATT, Mr. WAXMAN, Mr. WEINER, Mr. WELCH of Vermont, Mr. WEXLER, Ms. WOOLSEY, Mr. WU, Mr. WYNN, Mr. YARMUTH, and Mr. LOEBSACK) 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 part D of title XVIII of the Social Security Act to assist low-income individuals in obtaining subsidized prescription drug coverage under the Medicare prescription drug program by expediting the application and qualification process and by revising the resource standards used to determine eligibility for such subsidies, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
 5 “Prescription Coverage Now Act of 2007”.

6 (b) TABLE OF CONTENTS.—The table of contents for
 7 this Act is as follows:

Sec. 1. Short title; table of contents.

- Sec. 2. Expediting low-income subsidies under the Medicare prescription drug program.
- Sec. 3. Modification of resource standards for determination of eligibility for low-income subsidy; simplification of income and asset rules.
- Sec. 4. Indexing deductible and cost-sharing above annual out-of-pocket threshold for individuals with income below 150 percent of poverty line.
- Sec. 5. No impact on eligibility for benefits under other programs.
- Sec. 6. Screening by Commissioner of Social Security for eligibility under Medicare savings programs.
- Sec. 7. Special enrollment period for subsidy eligible individuals.
- Sec. 8. Waiver of late enrollment penalty for subsidy eligible individuals.

1 SEC. 2. EXPEDITING LOW-INCOME SUBSIDIES UNDER THE
2 MEDICARE PRESCRIPTION DRUG PROGRAM.

3 (a) IN GENERAL.—Section 1860D–14 of the Social
4 Security Act (42 U.S.C. 1395w–114) is amended by add-
5 ing at the end the following new subsection:

6 “(e) EXPEDITED APPLICATION AND ELIGIBILITY
7 PROCESS.—

8 “(1) EXPEDITED PROCESS.—

9 “(A) IN GENERAL.—The Secretary shall
10 provide for an expedited process under this sub-
11 section for the qualification for low-income as-
12 sistance under this section through a request to
13 the Secretary of the Treasury as provided in
14 subparagraphs (B) and (C) for information suf-
15 ficient to identify whether the individual in-
16 volved is likely eligible for subsidies under this
17 section based on such information and the
18 amount of premium and cost-sharing subsidies
19 for which they would qualify based on such in-
20 formation. Such process shall be conducted in

1 cooperation with the Commissioner of Social
2 Security.

3 “(B) OPT IN FOR NEWLY ELIGIBLE INDIVIDUALS.—Not later than 60 days after the
4 date of the enactment of this subsection, the
5 Secretary shall ensure that, as part of the
6 Medicare enrollment process, enrolling individuals—
7
8

9 “(i) receive information describing the
10 low-income subsidy provided under this
11 section; and

12 “(ii) are provided the opportunity to
13 opt-in to the expedited process described in
14 this subsection by requesting that the
15 Commissioner of Social Security screen the
16 individual involved for eligibility for such
17 subsidy through a request to the Secretary
18 of the Treasury under section 6103(l)(21)
19 of the Internal Revenue Code of 1986.

20 “(C) TRANSITION FOR CURRENTLY ELIGIBLE INDIVIDUALS.—In the case of any part D
21 eligible individual to which subparagraph (B)
22 did not apply at the time of such individual’s
23 enrollment, the Secretary shall, not later than
24
25 60 days after the date of the implementation of

1 subparagraph (B), request that the Commis-
2 sioner of Social Security screen such individual
3 for eligibility for the low-income subsidy pro-
4 vided under this section through a request to
5 the Secretary of the Treasury under section
6 6103(l)(21) of the Internal Revenue Code of
7 1986.

8 “(2) NOTIFICATION OF POTENTIALLY ELIGIBLE
9 INDIVIDUALS.—Under such process, in the case of
10 each individual identified under paragraph (1) who
11 has not otherwise applied for, or been determined el-
12 igible for, benefits under this section (or who has ap-
13 plied for and been determined ineligible for such
14 benefits based only on excess resources), the Sec-
15 retary shall send them a letter (using basic, uncom-
16 plicated language) containing the following:

17 “(A) ELIGIBILITY.—A statement that,
18 based on the information obtained under para-
19 graph (1), the individual is likely eligible for
20 low-income subsidies under this section.

21 “(B) AMOUNT OF SUBSIDIES.—A descrip-
22 tion of the amount of premium and cost-sharing
23 subsidies under this section for which the indi-
24 vidual would likely be eligible based on such in-
25 formation.

1 “(C) ENROLLMENT OPPORTUNITY.—In
2 case the individual is not enrolled in a prescrip-
3 tion drug plan or MA–PD plan—

4 “(i) a statement that—

5 “(I) the individual has the oppor-
6 tunity to enroll in a prescription drug
7 plan or MA–PD plan for benefits
8 under this part, but is not required to
9 be so enrolled; and

10 “(II) if the individual has cred-
11 itable prescription drug coverage, the
12 individual need not so enroll;

13 “(ii) a list of the prescription drug
14 plans and MA–PD plans in which the indi-
15 vidual is eligible to enroll;

16 “(iii) an enrollment form that may be
17 used to enroll in such a plan by mail and
18 that provides that if the individual wishes
19 to enroll but does not designate a plan, the
20 Secretary is authorized to enroll the indi-
21 vidual in such a prescription drug plan se-
22 lected by the Secretary; and

23 “(iv) a statement that the individual
24 may also enroll online or by telephone, but,
25 in order to qualify for low-income sub-

1 sidies, the individual must complete the at-
2 testation described in subparagraph (D) or
3 otherwise apply for such subsidies.

4 “(D) ATTESTATION.—A one-page applica-
5 tion form that provides for a signed attestation,
6 under penalty of law, as to the amount of in-
7 come and assets of the individual and con-
8 stitutes an application for the low-income sub-
9 sidies described in subparagraph (B). Such
10 form—

11 “(i) shall not require the submittal of
12 additional documentation regarding income
13 or assets;

14 “(ii) shall permit the appointment of
15 a personal representative described in
16 paragraph (5); and

17 “(iii) shall allow for the specification
18 of a language (other than English) that is
19 preferred by the individual for subsequent
20 communications with respect to the indi-
21 vidual under this part.

22 “(E) INFORMATION ON SHIP.—Information
23 on how the individual may contact the State
24 Health Insurance Assistance Program (SHIP)
25 for the State in which the individual is located

1 in order to obtain assistance regarding enroll-
2 ment and benefits under this part.

3 If a State is doing its own outreach to low-income
4 seniors regarding enrollment and low-income sub-
5 sidies under this part, such process shall be coordi-
6 nated with the State's outreach effort.

7 “(3) FOLLOW-UP COMMUNICATIONS.—If the in-
8 dividual does not respond to the letter described in
9 paragraph (2) either by making an enrollment de-
10 scribed in paragraph (2)(C), completing an attesta-
11 tion described in paragraph (2)(D), or declining ei-
12 ther or both, the Secretary shall make additional at-
13 tempts to contact the individual to obtain such an
14 affirmative response.

15 “(4) HOLD-HARMLESS.—Under such process, if
16 an individual in good faith and in the absence of
17 fraud executes an attestation described in paragraph
18 (2)(D) and is provided low-income subsidies under
19 this section on the basis of such attestation, if the
20 individual is subsequently found not eligible for such
21 subsidies, there shall be no recovery made against
22 the individual because of such subsidies improperly
23 paid.

24 “(5) USE OF AUTHORIZED REPRESENTATIVE.—
25 Under such process, with proper authorization

(which may be part of the attestation form described in paragraph (2)(D)), an individual may authorize another individual to act as the individual's personal representative with respect to communications under this part and the enrollment of the individual under a prescription drug plan (or MA-PD plan) and for low-income subsidies under this section.

“(6) USE OF PREFERRED LANGUAGE IN SUBSEQUENT COMMUNICATIONS.—In the case an attestation described in paragraph (2)(D) is completed and in which a language other than English is specified under clause (iii) of such paragraph, the Secretary shall provide that subsequent communications to the individual under this part shall be in such language.

“(7) CONSTRUCTION.—Nothing in this subsection shall be construed as precluding the Secretary from taking additional outreach efforts to enroll eligible individuals under this part and to provide low-income subsidies to eligible individuals.”.

(b) PRESCRIPTION DRUG PLANS REQUIRED TO PROVIDE EXPEDITED LOW-INCOME SUBSIDY OPT-IN AS PART OF APPLICATIONS.—

(1) IN GENERAL.—Section 1860D-1(b)(1)(B)(vi) of such Act (42 U.S.C. 1395w-101(b)(1)(B)(vi)) is amended by inserting before the

1 period at the end the following: “, except that any
2 application form distributed by a sponsor of a pre-
3 scription drug plan, or an organization offering an
4 MA–PD plan, shall contain an option for a part D
5 eligible individual to opt-in to the expedited process
6 under section 1860D–14(e) for low-income assist-
7 ance subsidies under such section by requesting that
8 the individual be screened for eligibility for such
9 subsidy through a request to the Secretary of the
10 Treasury under section 6103(l)(21) of the Internal
11 Revenue Code of 1986”.

12 (2) EFFECTIVE DATE.—The amendment made
13 by paragraph (1) shall apply to application forms for
14 plan years beginning with 2008.

15 (c) DISCLOSURE OF RETURN INFORMATION FOR
16 PURPOSES OF SCREENING INDIVIDUALS FOR ELIGIBILITY
17 FOR LOW-INCOME SUBSIDIES UNDER MEDICARE.—

18 (1) IN GENERAL.—Subsection (l) of section
19 6103 of the Internal Revenue Code of 1986 is
20 amended by adding at the end the following new
21 paragraph:

22 “(21) DISCLOSURE OF RETURN INFORMATION
23 FOR PURPOSES OF PROVIDING LOW-INCOME SUB-
24 SIDIES UNDER MEDICARE.—

1 “(A) RETURN INFORMATION FROM INTER-
2 NAL REVENUE SERVICE TO SOCIAL SECURITY
3 ADMINISTRATION.—The Secretary, upon writ-
4 ten request from the Commissioner of Social
5 Security under section 1860D–14(e)(1) of the
6 Social Security Act, shall disclose to the Com-
7 missioner with respect to any taxpayer identi-
8 fied by the Commissioner—

9 “(i)(I) whether the adjusted gross in-
10 come, as modified in accordance with spec-
11 ifications of the Secretary of Health and
12 Human Services for purposes of carrying
13 out such section, of such taxpayer and, if
14 applicable, such taxpayer’s spouse, for the
15 applicable year, exceeds the amounts speci-
16 fied by the Secretary of Health and
17 Human Services in order to apply the 135
18 and 150 percent poverty lines under such
19 section,

20 “(II) the adjusted gross income (as
21 determined under subclause (I)), in the
22 case of a taxpayer with respect to which
23 such adjusted gross income exceeds the
24 amount so specified for applying the 135
25 percent poverty line and does not exceed

1 the amount so specified for applying the
2 150 percent poverty line,

3 “(III) whether the return was a joint
4 return for the applicable year, and

5 “(IV) the applicable year, or

6 “(ii) if applicable, the fact that there
7 is no return filed for such taxpayer for the
8 applicable year.

9 “(B) DEFINITION OF APPLICABLE YEAR.—

10 For the purposes of this paragraph, the term
11 ‘applicable year’ means the most recent taxable
12 year for which information is available in the
13 Internal Revenue Service’s taxpayer data infor-
14 mation systems, or, if there is no return filed
15 for such taxpayer for such year, the prior tax-
16 able year.

17 “(C) RESTRICTION ON INDIVIDUALS FOR
18 WHOM DISCLOSURE IS REQUESTED.—The Com-
19 missioner of Social Security shall only request
20 information under this paragraph with respect
21 to individuals who are described in subpara-
22 graph (C) of section 1860D–14(e)(1) of the So-
23 cial Security Act or who have requested that
24 such request be made under subparagraph (B)
25 of such section.

1 “(D) RETURN INFORMATION FROM SOCIAL
2 SECURITY ADMINISTRATION TO DEPARTMENT
3 OF HEALTH AND HUMAN SERVICES.—The Com-
4 missioner of Social Security shall, upon written
5 request from the Secretary of Health and
6 Human Services, disclose to the Secretary of
7 Health and Human Services the information
8 described in clauses (i) and (ii) of subparagraph
9 (A).

10 “(E) PERMISSIVE DISCLOSURE TO OFFI-
11 CERS, EMPLOYEES, AND CONTRACTORS.—The
12 information described in clauses (i) and (ii) of
13 subparagraph (A) may be disclosed among offi-
14 cers, employees, and contractors of the Social
15 Security Administration and the Department of
16 Health and Human Services for the purposes
17 described in subparagraph (F).

18 “(F) RESTRICTION ON USE OF DISCLOSED
19 INFORMATION.—Return information disclosed
20 under this paragraph may be used only for the
21 purposes of identifying eligible individuals for,
22 and administering—

23 “(i) low-income subsidies under sec-
24 tion 1860D–14 of the Social Security Act,
25 and

1 “(ii) the Medicare Savings Program
2 implemented under clauses (i), (iii), and
3 (iv) of section 1902(a)(10)(E) of such Act.

4 “(G) TERMINATION OF DISCLOSURES FOR
5 CERTAIN ELIGIBILITY DETERMINATIONS.—With
6 respect to individuals who are described in sub-
7 paragraph (C) of section 1860D–14(e)(1) of the
8 Social Security Act, return information may not
9 be disclosed under this paragraph after the date
10 that is one year after the date of the enactment
11 of this paragraph.”.

12 (2) CONFIDENTIALITY.—Paragraph (3) of sec-
13 tion 6103(a) of such Code is amended by striking
14 “or (20)” and inserting “(20), or (21)”.

15 (3) PROCEDURES AND RECORDKEEPING RE-
16 LATED TO DISCLOSURES.—Paragraph (4) of section
17 6103(p) of such Code is amended by striking “or
18 (20)” each place it appears and inserting “(20), or
19 (21)”.

20 (4) UNAUTHORIZED DISCLOSURE OR INSPEC-
21 TION.—Paragraph (2) of section 7213(a) of such
22 Code is amended by striking “or (20)” and inserting
23 “(20), or (21)”.

1 **SEC. 3. MODIFICATION OF RESOURCE STANDARDS FOR DE-**
 2 **TERMINATION OF ELIGIBILITY FOR LOW-IN-**
 3 **COME SUBSIDY; SIMPLIFICATION OF INCOME**
 4 **AND ASSET RULES.**

5 (a) INCREASING THE RESOURCE STANDARD AP-
 6 PLIED TO FULL LOW-INCOME SUBSIDY.—Subparagraph
 7 (D) of section 1860D–14(a)(3)(D) of the Social Security
 8 Act (42 U.S.C. 1395w–114(a)(3)) is amended—

- 9 (1) in the heading, by striking “THREE TIMES”;
 10 (2) in clause (i), by striking “and” at the end;
 11 (3) in clause (ii)—

12 (A) by striking “a subsequent year” and
 13 inserting “2007”;

14 (B) by striking “this clause for the pre-
 15 vious year” and inserting “clause (i) for 2006”;
 16 and

17 (C) by inserting “(or clause (i))” after
 18 “this clause”; and

19 (D) by striking the period at the end and
 20 inserting a semicolon;

21 (4) by adding at the end the following new
 22 clauses:

23 “(iii) for 2008, six times the max-
 24 imum amount of resources that an indi-
 25 vidual may have and obtain benefits under

1 such supplemental security income pro-
2 gram; and

3 “(iv) for a subsequent year the re-
4 source limitation established under this
5 clause (or clause (iii)) for the previous year
6 increased by the annual percentage in-
7 crease in the consumer price index (all
8 items; U.S. city average) as of September
9 of such previous year.”; and

10 (5) in the last sentence, by inserting “or (iv)”
11 after “clause (ii)”.

12 (b) INCREASING THE ALTERNATE RESOURCE
13 STANDARD.—Subparagraph (E)(i) of such section is
14 amended—

15 (1) by striking “and” at the end of subclause
16 (I);

17 (2) in subclause (II)—

18 (A) by striking “a subsequent year” and
19 inserting “2007”;

20 (B) by striking “in this subclause (or sub-
21 clause (I)) for the previous year” and inserting
22 “in subclause (I) for 2006”; and

23 (C) by striking the period at the end and
24 inserting a semicolon;

1 (3) by inserting after subclause (II) the fol-
2 lowing new subclauses:

3 “(III) for 2008, \$27,500 (or
4 \$55,000 in the case of the combined
5 value of the individual’s assets or re-
6 sources and the assets or resources of
7 the individual’s spouse); and

8 “(IV) for a subsequent year the
9 dollar amounts specified in this sub-
10 clause (or subclause (III)) for the pre-
11 vious year increased by the annual
12 percentage increase in the consumer
13 price index (all items; U.S. city aver-
14 age) as of September of such previous
15 year.”; and

16 (4) in the last sentence, by inserting “or (IV)”
17 after “subclause (II)”.

18 (c) EXEMPTIONS FROM RESOURCES.—Such section
19 is further amended—

20 (1) in subparagraphs (D) and (E), by inserting
21 “, except as provided in subparagraph (G)” after
22 “supplemental security income program”; and

23 (2) by adding at the end the following new sub-
24 paragraph:

1 “(G) ADDITIONAL EXCLUSIONS.—In deter-
 2 mining the resources of an individual (and their
 3 eligible spouse, if any) under section 1613 for
 4 purposes of subparagraphs (D) and (E), the
 5 following additional exclusions shall apply for
 6 months beginning after the date of the enact-
 7 ment of this subparagraph:

8 “(i) LIFE INSURANCE POLICY.—No
 9 part of the value of any life insurance pol-
 10 icy shall be taken into account.

11 “(ii) PENSION OR RETIREMENT
 12 PLAN.—No balance in any pension or re-
 13 tirement plan shall be taken into ac-
 14 count.”.

15 (d) NOT COUNTING IN-KIND SUPPORT AND MAINTENANCE AS INCOME.—Such section is further amended in
 16 subparagraph (C)(i), by inserting “and except that sup-
 17 port and maintenance furnished in kind shall not be count-
 18 ed as income for months beginning after the date of the
 19 enactment of the Prescription Coverage Now Act of 2007”
 20 after “section 1902(r)(2)”.

1 **SEC. 4. INDEXING DEDUCTIBLE AND COST-SHARING ABOVE**
2 **ANNUAL OUT-OF-POCKET THRESHOLD FOR**
3 **INDIVIDUALS WITH INCOME BELOW 150 PER-**
4 **CENT OF POVERTY LINE.**

5 (a) INDEXING DEDUCTIBLE.—Section 1860D–
6 14(a)(4)(B) of the Social Security Act (42 U.S.C. 1395w–
7 114(a)(4)(B)) is amended—

8 (1) in clause (i), by striking “or”;

9 (2) in clause (ii)—

10 (A) by striking “a subsequent year” and
11 inserting “2008”;

12 (B) by striking “this clause (or clause (i))
13 for the previous year” and inserting “clause (i)
14 for 2007”; and

15 (C) by striking the period at the end and
16 inserting “; and”;

17 (3) by adding after clause (ii) the following new
18 clause:

19 “(iii) for 2008 and each succeeding
20 year, the amount determined under this
21 subparagraph for the previous year in-
22 creased by the annual percentage increase
23 in the consumer price index (all items;
24 U.S. city average) as of September of such
25 previous year.”; and

1 (4) in the last sentence, by striking “clause (i)
2 or (ii)” and inserting “clause (i), (ii), or (iii)”.

3 (b) INDEXING COST-SHARING.—Section 1860D–
4 14(a) of the Social Security Act (42 U.S.C. 1395w–
5 114(a)) is amended—

6 (1) in paragraph (1)(D)(iii), by striking “exceed
7 the copayment amount” and all that follows through
8 the period at the end and inserting “exceed—

9 “(I) for 2006 and 2007, the co-
10 payment amount specified under sec-
11 tion 1860D–2(b)(4)(A)(i)(I) for the
12 drug and year involved; and

13 “(II) for 2008 and each suc-
14 ceeding year, the amount determined
15 under this subparagraph for the pre-
16 vious year increased by the annual
17 percentage increase in the consumer
18 price index (all items; U.S. city aver-
19 age) as of September of such previous
20 year.”; and

21 (2) in paragraph (2)(E), by striking “exceed
22 the copayment or coinsurance amount” and all that
23 follows through the period at the end and inserting
24 “exceed—

1 “(i) for 2006 and 2007, the copay-
 2 ment or coinsurance amount specified
 3 under section 1860D–2(b)(4)(A)(i)(I) for
 4 the drug and year involved; and

5 “(ii) for 2008 and each succeeding
 6 year, the amount determined under this
 7 clause for the previous year increased by
 8 the annual percentage increase in the con-
 9 sumer price index (all items; U.S. city av-
 10 erage) as of September of such previous
 11 year.”.

12 **SEC. 5. NO IMPACT ON ELIGIBILITY FOR BENEFITS UNDER**
 13 **OTHER PROGRAMS.**

14 (a) IN GENERAL.—Section 1860D–14(a)(3) of the
 15 Social Security Act (42 U.S.C. 1395w–114(a)(3)), as
 16 amended by section 3(c)(2), is amended—

17 (1) in subparagraph (A), in the matter pre-
 18 ceding clause (i), by striking “subparagraph (F)”
 19 and inserting “subparagraphs (F) and (H)”; and

20 (2) by adding at the end the following new sub-
 21 paragraph:

22 “(H) NO IMPACT ON ELIGIBILITY FOR
 23 BENEFITS UNDER OTHER PROGRAMS.—The
 24 availability of premium and cost-sharing sub-
 25 sidies under this section shall not be treated as

1 benefits or otherwise taken into account in de-
 2 termining an individual’s eligibility for, or the
 3 amount of benefits under, any other Federal
 4 program.”.

5 (b) **EFFECTIVE DATE.**—The amendments made by
 6 subsection (a) shall apply to premium and cost-sharing
 7 subsidies for months beginning after the date of the enact-
 8 ment of this Act.

9 **SEC. 6. SCREENING BY COMMISSIONER OF SOCIAL SECU-**
 10 **RITY FOR ELIGIBILITY UNDER MEDICARE**
 11 **SAVINGS PROGRAMS.**

12 (a) **IN GENERAL.**—Section 1860D–14(a)(3)(B)(i) of
 13 the Social Security Act (42 U.S.C. 1395w–
 14 114(a)(3)(B)(i)) is amended by inserting after the first
 15 sentence the following: “As part of making an eligibility
 16 determination under the preceding sentence for an indi-
 17 vidual, the Commissioner shall make a determination of
 18 the individual’s eligibility for medical assistance for any
 19 medicare cost-sharing described in section 1905(p)(3) and,
 20 if the individual is eligible for any such medicare cost-
 21 sharing, transmit the data necessary to verify such eligi-
 22 bility to the appropriate State Medicaid agency.”.

23 (b) **EFFECTIVE DATE.**—The amendment made by
 24 subsection (a) shall apply to determinations made for

1 months beginning after the date of the enactment of this
2 Act.

3 **SEC. 7. SPECIAL ENROLLMENT PERIOD FOR SUBSIDY ELI-**
4 **GIBLE INDIVIDUALS.**

5 (a) IN GENERAL.—Section 1860D–1(b)(3) of the So-
6 cial Security Act (42 U.S.C. 1395w–101(b)(3)) is amend-
7 ed by adding at the end the following new subparagraph:

8 “(F) ELIGIBILITY FOR LOW-INCOME SUB-
9 SIDY.—

10 “(i) IN GENERAL.—In the case of an
11 applicable subsidy eligible individual (as
12 defined in clause (ii)), the special enroll-
13 ment period described in clause (iii).

14 “(ii) APPLICABLE SUBSIDY ELIGIBLE
15 INDIVIDUAL DEFINED.—For purposes of
16 this subparagraph, the term ‘applicable
17 subsidy eligible individual’ means a part D
18 eligible individual who is determined under
19 subparagraph (B) of section 1860D–
20 14(a)(3) to be a subsidy eligible individual
21 (as defined in subparagraph (A) of such
22 section), and includes such an individual
23 who was enrolled in a prescription drug
24 plan or an MA–PD plan on the date of
25 such determination.

1 “(iii) SPECIAL ENROLLMENT PERIOD
 2 DESCRIBED.—The special enrollment pe-
 3 riod described in this clause, with respect
 4 to an applicable subsidy eligible individual,
 5 is the 90-day period beginning on the date
 6 the individual receives notification that
 7 such individual has been determined under
 8 section 1860D–14(a)(3)(B) to be a subsidy
 9 eligible individual (as so defined).”.

10 (b) AUTOMATIC ENROLLMENT PROCESS FOR CER-
 11 TAIN SUBSIDY ELIGIBLE INDIVIDUALS.—Section 1860D–
 12 1(b)(1) is amended by adding at the end the following new
 13 subparagraph:

14 “(D) SPECIAL RULE FOR SUBSIDY ELIGI-
 15 BLE INDIVIDUALS.—The process established
 16 under subparagraph (A) shall include, in the
 17 case of an applicable subsidy eligible individual
 18 (as defined in clause (ii) of paragraph (3)(F))
 19 who fails to enroll in a prescription drug plan
 20 or an MA–PD plan during the special enroll-
 21 ment period described in clause (iii) of such
 22 paragraph applicable to such individual, a proc-
 23 ess for the facilitated enrollment of the indi-
 24 vidual in the prescription drug plan or MA–PD
 25 plan that is most appropriate for such indi-

1 vidual (as determined by the Secretary). Noth-
 2 ing in the previous sentence shall prevent an in-
 3 dividual described in such sentence from declin-
 4 ing enrollment in a plan determined appropriate
 5 by the Secretary (or in the program under this
 6 part) or from changing such enrollment.”.

7 (c) EFFECTIVE DATE.—The amendments made by
 8 this section shall apply to subsidy determinations made
 9 for months beginning with January 2008.

10 **SEC. 8. WAIVER OF LATE ENROLLMENT PENALTY FOR SUB-**
 11 **SIDY ELIGIBLE INDIVIDUALS.**

12 (a) IN GENERAL.—Section 1860D–13(b) of the So-
 13 cial Security Act (42 U.S.C. 1395w–113(b)) is amended
 14 by adding at the end the following new paragraph:

15 “(8) WAIVER OF LATE ENROLLMENT PENALTY
 16 FOR SUBSIDY ELIGIBLE INDIVIDUALS.—In the case
 17 of a subsidy eligible individual (as defined in para-
 18 graph (3)(A) of section 1860D–14(a)) who is deter-
 19 mined to be entitled to a subsidy in accordance with
 20 paragraph (1) or (2) of such section, there shall not
 21 be an increase under paragraph (1) in the monthly
 22 premium of such individual for any month in which
 23 such individual is determined to be so entitled.”.

1 (b) CONFORMING AMENDMENT.—Section 1860D–
2 14(a)(1)(A) of such Act (42 U.S.C. 1395w–114(a)(1)(A))
3 is amended—

4 (1) by striking “equal to—” and all that follows
5 through “(i) 100 percent” and inserting “equal to
6 100 percent”;

7 (2) by striking “; plus” and inserting a period;
8 and

9 (3) by striking clause (ii).

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to premiums and subsidies for
12 months beginning with January 2008. Nothing in this sec-
13 tion shall be construed as affecting the waiver of any late
14 enrollment penalties for subsidy eligible individuals that
15 may have been effected by administrative action for
16 months before such month.

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