

114TH CONGRESS
2D SESSION

S. 3371

To amend titles II, XVIII, and XIX of the Social Security Act to improve the affordability and enrollment procedures of the Medicare program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 2016

Mr. WYDEN (for himself, Ms. STABENOW, Mr. BENNET, Mr. NELSON, and Mr. BROWN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend titles II, XVIII, and XIX of the Social Security Act to improve the affordability and enrollment procedures of the Medicare program, 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 “Medicare Affordability and Enrollment Act of 2016”.

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. Protecting against high out-of-pocket expenditures for Medicare fee-for-service benefits.

- Sec. 3. Reducing cost-sharing, aligning income and resource eligibility tests, and simplifying enrollment for low-income beneficiaries.
- Sec. 4. Reducing Medicare cost-sharing for low-income beneficiaries.
- Sec. 5. Eliminating the 24-month waiting period for Medicare coverage for individuals with disabilities.
- Sec. 6. Improving Medicare beneficiary enrollment procedures and effective dates of coverage.
- Sec. 7. Eliminating exclusion of part D eligible individuals residing in territories from eligibility for premium and cost-sharing subsidies.
- Sec. 8. Extending funding for low-income Medicare beneficiary outreach and assistance education activities.

1 **SEC. 2. PROTECTING AGAINST HIGH OUT-OF-POCKET EX-**
 2 **PENDITURES FOR MEDICARE FEE-FOR-SERV-**
 3 **ICE BENEFITS.**

4 Title XVIII of the Social Security Act (42 U.S.C.
 5 1395 et seq.) is amended by adding at the end the fol-
 6 lowing new section:

7 “PROTECTION AGAINST HIGH OUT-OF-POCKET
 8 EXPENDITURES

9 “SEC. 1899C. (a) IN GENERAL.—Notwithstanding
 10 any other provision of this title, in the case of an indi-
 11 vidual entitled to, or enrolled for, benefits under part A
 12 or enrolled in part B, if the amount of the out-of-pocket
 13 cost-sharing of such individual for a year (beginning with
 14 2018) equals or exceeds the annual out-of-pocket limit
 15 under subsection (b) for that year—

16 “(1) the amount otherwise payable under part
 17 A and the total amount of expenses incurred by the
 18 individual which would (except for this section) con-
 19 stitute incurred expenses for which benefits are pay-

1 able under part B, shall be 100 percent of such
2 amount for the remainder of that year; and

3 “(2) the individual shall not be responsible for
4 out-of-pocket cost-sharing incurred during the re-
5 mainder of that year.

6 “(b) ANNUAL OUT-OF-POCKET LIMIT.—

7 “(1) IN GENERAL.—The amount of the annual
8 out-of-pocket limit under this subsection shall be—

9 “(A) for 2018, \$5,500; or

10 “(B) for a subsequent year, the amount
11 specified in this subsection for the preceding
12 year increased or decreased by the percentage
13 change in the Consumer Price Index for All
14 Urban Consumers for the 12-month period end-
15 ing with June of such preceding year.

16 “(2) ROUNDING.—If any amount determined
17 under paragraph (1)(B) is not a multiple of \$5, such
18 amount shall be rounded to the nearest multiple of
19 \$5.

20 “(c) OUT-OF-POCKET COST-SHARING DEFINED.—

21 “(1) IN GENERAL.—Subject to paragraphs (2)
22 and (3), in this section, the term ‘out-of-pocket cost-
23 sharing’ means, with respect to an individual, the
24 amount of the expenses incurred by the individual
25 that are attributable to—

1 “(A) deductibles, coinsurance and copay-
 2 ments applicable under part A or B; or

3 “(B) for items and services that would
 4 have otherwise been covered under part A or B
 5 but for the exhaustion of those benefits.

6 “(2) CERTAIN COSTS NOT INCLUDED.—

7 “(A) NON-COVERED ITEMS AND SERV-
 8 ICES.—Expenses incurred for items and serv-
 9 ices which are not covered under part A or B
 10 shall not be considered incurred expenses for
 11 purposes of determining out-of-pocket cost-
 12 sharing under paragraph (1).

13 “(B) ITEMS AND SERVICES NOT FUR-
 14 NISHED ON AN ASSIGNMENT-RELATED BASIS.—
 15 If an item or service is furnished to an indi-
 16 vidual under this title and is not furnished on
 17 an assignment-related basis, any additional ex-
 18 penses the individual incurs above the amount
 19 the individual would have incurred if the item
 20 or service was furnished on an assignment-re-
 21 lated basis shall not be considered incurred ex-
 22 penses for purposes of determining out-of-pock-
 23 et cost-sharing under paragraph (1).

24 “(3) SOURCE OF PAYMENT.—For purposes of
 25 paragraph (1), the Secretary shall consider expenses

1 to be incurred by the individual without regard to
 2 whether the individual or another person, including
 3 a State program, an employer, a medicare supple-
 4 mental policy, or other third-party coverage, has
 5 paid for such expenses.

6 “(d) ANNOUNCEMENT OF THE ANNUAL OUT-OF-
 7 POCKET LIMIT.—The Secretary shall (beginning in 2017)
 8 announce (in a manner intended to provide notice to all
 9 interested parties) the annual out-of-pocket limit under
 10 this section that will be applicable for the succeeding
 11 year.”.

12 **SEC. 3. REDUCING COST-SHARING, ALIGNING INCOME AND**
 13 **RESOURCE ELIGIBILITY TESTS, AND SIMPLI-**
 14 **FYING ENROLLMENT FOR LOW-INCOME**
 15 **BENEFICIARIES.**

16 (a) INCREASE IN INCOME ELIGIBILITY TO 135 PER-
 17 CENT OF FPL FOR QUALIFIED MEDICARE BENE-
 18 FICIARIES.—Section 1905(p)(2) of the Social Security Act
 19 (42 U.S.C. 1396d(p)(2)) is amended—

20 (1) in subparagraph (A), by striking “100 per-
 21 cent” and inserting “135 percent”;

22 (2) in subparagraph (B)—

23 (A) by striking “and” at the end of clause

24 (ii);

1 (B) by striking the period at the end of
 2 clause (iii) and inserting “, and”; and

3 (C) by adding at the end the following:

4 “(iv) January 1, 2018, is 135 percent.”; and

5 (3) in subparagraph (C)—

6 (A) by striking “and” at the end of clause
 7 (iii);

8 (B) by striking the period at the end of
 9 clause (iv) and inserting “, and”; and

10 (C) by adding at the end the following:

11 “(v) January 1, 2018, is 135 percent.”.

12 (b) INCREASE IN INCOME ELIGIBILITY TO 150 PER-
 13 CENT OF FPL FOR SPECIFIED LOW-INCOME MEDICARE
 14 BENEFICIARIES.—

15 (1) ELIGIBILITY OF INDIVIDUALS WITH IN-
 16 COMES BELOW 150 PERCENT OF FPL.—Section
 17 1902(a)(10)(E) of the Social Security Act (42
 18 U.S.C. 1396b(a)(10)(E)) is amended—

19 (A) by adding “and” at the end of clause
 20 (ii);

21 (B) in clause (iii)—

22 (i) by striking “and 120 percent in
 23 1995 and years thereafter” and inserting
 24 “120 percent in 1995 and years thereafter

1 before 2018, and 150 percent in 2018 and
 2 years thereafter”; and

3 (ii) by striking “and” at the end; and
 4 (C) by striking clause (iv).

5 (2) REFERENCES.—Section 1905(p)(1) of such
 6 Act (42 U.S.C. 1396d(p)(1)) is amended by adding
 7 at and below subparagraph (C) the following flush
 8 sentence:

9 “The term ‘specified low-income medicare beneficiary’
 10 means an individual described in section
 11 1902(a)(10)(E)(iii).”.

12 (3) CONFORMING AMENDMENTS.—

13 (A) The first sentence of section 1905(b)
 14 of such Act (42 U.S.C. 1396d(b)) is amended
 15 by striking “and section 1933(d)”.

16 (B) Section 1933 of such Act (42 U.S.C.
 17 1396u–3) is repealed.

18 (c) 100 PERCENT FMAP.—Section 1905 of the So-
 19 cial Security Act (42 U.S.C. 1396d) is amended by adding
 20 at the end the following new subsection:

21 “(ee) INCREASED FMAP FOR EXPANDED MEDICARE
 22 COST-SHARING POPULATIONS.—

23 “(1) IN GENERAL.—Notwithstanding subsection
 24 (b), with respect to expenditures described in para-

graph (2) the Federal medical assistance percentage shall be equal to 100 percent.

“(2) EXPENDITURES DESCRIBED.—The expenditures described in this paragraph are expenditures made on or after January 1, 2018, for medical assistance for medicare cost-sharing provided to any individual under clause (i), (ii), or (iii) of section 1902(a)(10)(E) who would not have been eligible for medicare cost-sharing under any such clause under the income or resource eligibility standards in effect on October 1, 2016.”.

(d) CONSOLIDATION OF LOW-INCOME SUBSIDY RE-SOURCE ELIGIBILITY TESTS.—

(1) IN GENERAL.—Section 1860D–14(a)(3) of the Social Security Act (42 U.S.C. 1395w–114(a)(3)) is amended—

(A) by striking subparagraph (D);

(B) by redesignating subparagraphs (E) through (G) as subparagraphs (D) through (F), respectively; and

(C) in the heading of subparagraph (D), as so redesignated, by striking “ALTERNATIVE”.

(2) CLARIFICATION OF CERTAIN RULES RELATING TO INCOME AND RESOURCE DETERMINATIONS.—Section 1860D–14(a)(3) of the Social Secu-

1 rity Act (42 U.S.C. 1395w-114(a)(3)), as amended
2 by paragraph (1), is amended by striking subpara-
3 graph (F) and inserting the new following new sub-
4 paragraphs:

5 “(F) RESOURCE EXCLUSIONS.—In deter-
6 mining the resources of an individual (and the
7 eligible spouse of the individual, if any) under
8 section 1613 for purposes of subparagraph
9 (D)—

10 “(i) no part of the value of any life in-
11 surance policy shall be taken into account;

12 “(ii) no part of the value of any vehi-
13 cle shall be taken into account; and

14 “(iii) there shall be excluded an
15 amount equal to \$1,500 each with respect
16 to any individual or eligible spouse of an
17 individual who attests that some of the re-
18 sources of such individual or spouse will be
19 used to meet the burial and related ex-
20 penses of such individual or spouse.

21 “(G) FAMILY SIZE.—In determining the
22 size of the family of an individual for purposes
23 of determining the income eligibility of such in-
24 dividual under this section, an individual’s fam-
25 ily shall consist of—

1 “(i) the individual;

2 “(ii) the individual’s spouse who lives
3 in the same household as the individual (if
4 any); and

5 “(iii) any other individuals who—

6 “(I) are related to the individual
7 whose income eligibility is in question
8 or such individual’s spouse who lives
9 in the same household;

10 “(II) are living in the same
11 household as such individual; and

12 “(III) are dependent on such in-
13 dividual or such individual’s spouse
14 who is living in the same household
15 for at least one-half of their financial
16 support.”.

17 (3) CONFORMING AMENDMENTS.—Section
18 1860D–14(a) of the Social Security Act (42 U.S.C.
19 1395w–114(a)) is amended—

20 (A) in paragraph (1), in the matter pre-
21 ceding subparagraph (A), by inserting “(as de-
22 termined under paragraph (3)(G))” after “fam-
23 ily of the size involved”; and

24 (B) in paragraph (3), as amended by para-
25 graphs (1) and (2)—

1 (i) in subparagraph (A), in the matter
 2 preceding clause (i), by striking “subpara-
 3 graph (F)” and inserting “subparagraph
 4 (E)”;

5 (ii) in subparagraph (A)(ii), by insert-
 6 ing “(as determined under subparagraph
 7 (G))” after “family of the size involved”;

8 (iii) in subparagraph (A)(iii), by strik-
 9 ing “or (E)”;

10 (iv) in subparagraph (B)(v), in the
 11 matter preceding subclause (I), by striking
 12 “subparagraph (F)” and inserting “sub-
 13 paragraph (E)”;

14 (v) in subparagraph (D)(i), in the
 15 matter preceding subclause (I), by striking
 16 “subject to the life insurance policy exclu-
 17 sion provided under subparagraph (G)”
 18 and inserting “subject to the resource ex-
 19 clusions provided under subparagraph
 20 (F)”.

21 (e) ALIGNMENT OF LOW-INCOME SUBSIDY AND
 22 MEDICARE SAVINGS PROGRAM INCOME AND RESOURCE
 23 ELIGIBILITY TESTS.—

1 (1) APPLICATION OF MEDICAID SPOUSAL IM-
 2 POVERISHMENT RESOURCE ALLOWANCE TO MSP AND
 3 LIS RESOURCE ELIGIBILITY.—

4 (A) IN GENERAL.—Section 1905(p)(1)(C)
 5 of the Social Security Act (42 U.S.C.
 6 1396d(p)(1)(C)) is amended to read as follows:

7 “(C) whose resources (as determined under sec-
 8 tion 1613 for purposes of the supplemental security
 9 income program subject to the resource exclusions
 10 under subparagraph (F) of section 1860D–14(a)(3))
 11 do not exceed—

12 “(i) in the case of an individual with a
 13 spouse, an amount equal to the sum of the first
 14 amount specified in subsection (f)(2)(A)(i) of
 15 section 1924 (as adjusted under subsection (g)
 16 of such section) and the amount specified in
 17 subsection (f)(2)(A)(ii)(II) of such section (as
 18 so adjusted); or

19 “(ii) in the case of an individual who does
 20 not have a spouse, an amount equal to $\frac{1}{2}$ of
 21 the amount described in clause (i).”.

22 (B) APPLICATION TO QDWIS.—Section
 23 1905(s)(3) of the Social Security Act (42
 24 U.S.C. 1396d(s)(3)) is amended to read as fol-
 25 lows:

“(3) whose resources (as determined under section 1613 for purposes of the supplemental security income program subject to the resource exclusions under subparagraph (F) of section 1860D–14(a)(3)) do not exceed—

“(A) in the case of an individual with a spouse, the amount in effect for the year under clause (i) of subsection (p)(1)(C); and

“(B) in the case of an individual who does not have a spouse, the amount in effect for the year under clause (ii) of subsection (p)(1)(C); and”.

(C) APPLICATION TO LIS.—Clause (i) of section 1860D–14(a)(3)(D), as redesignated and amended by subsection (d)(1), is amended to read as follows:

“(i) IN GENERAL.—The resources requirement of this subparagraph is that an individual’s resources (as determined under section 1613 for purposes of the supplemental security income program subject to the resource exclusions provided under subparagraph (F)) do not exceed the amount in effect for the year under section 1905(p)(1)(C)(ii).”.

1 (f) ENROLLMENT SIMPLIFICATIONS.—

2 (1) APPLICATION OF 3-MONTH RETROACTIVE
3 ELIGIBILITY TO QMBS.—

4 (A) IN GENERAL.—Section 1902(e)(8) of
5 the Social Security Act (42 U.S.C. 1396a(e)(8))
6 is amended by striking “after the end of the
7 month in which the determination first occurs”
8 and inserting “in or after the third month be-
9 fore the month in which the individual makes
10 application for assistance”.

11 (B) CONFORMING AMENDMENT.—Section
12 1905(a) of the Social Security Act (42 U.S.C.
13 1396d(a)) is amended, in the matter preceding
14 paragraph (1), by striking “or, in the case of
15 medicare cost-sharing with respect to a quali-
16 fied medicare beneficiary described in sub-
17 section (p)(1), if provided after the month in
18 which the individual becomes such a bene-
19 ficiary”.

20 (2) STATE OPTION FOR 12-MONTH CONTINUOUS
21 ELIGIBILITY FOR SLMBS AND QWDIS.—Section
22 1902(e)(12) of the Social Security Act (42 U.S.C.
23 1396a(e)(12)) is amended—

24 (A) by redesignating subparagraphs (A)
25 and (B) as clauses (i) and (ii), respectively;

1 (B) by inserting “(A)” after “(12)”; and

2 (C) by adding at the end the following:

3 “(B) At the option of the State, the plan may provide
4 that an individual who is determined to be eligible for ben-
5 efits under a State plan approved under this title under
6 any of the following eligibility categories, or who is rede-
7 termined to be eligible for such benefits under any of such
8 categories, shall be considered to meet the eligibility re-
9 quirements met on the date of application and shall re-
10 main eligible for those benefits until the end of the 12-
11 month period following the date of the determination or
12 redetermination of eligibility, except that a State may pro-
13 vide for such determinations more frequently, but not
14 more frequently than once every 6 months for an indi-
15 vidual:

16 “(i) A specified low-income medicare beneficiary
17 described in subsection (a)(10)(E)(iii) of this section
18 who is determined eligible for medicare cost sharing
19 described in section 1905(p)(3)(A)(ii).

20 “(ii) A qualified disabled and working indi-
21 vidual described in section 1905(s) who is deter-
22 mined eligible for medicare cost-sharing described in
23 section 1905(p)(3)(A)(i).”.

24 (3) STATE OPTION TO USE EXPRESS LANE ELI-
25 GIBILITY FOR THE MEDICARE SAVINGS PROGRAM.—

1 Section 1902(e)(13)(A) of the Social Security Act
 2 (42 U.S.C. 1396a(e)(13)(A)) is amended by adding
 3 at the end the following new clause:

4 “(iii) STATE OPTION TO EXTEND EX-
 5 PRESS LANE ELIGIBILITY TO OTHER POPU-
 6 LATIONS.—

7 “(I) IN GENERAL.—At the option
 8 of the State, the State may apply the
 9 provisions of this paragraph with re-
 10 spect to determining eligibility under
 11 this title for an eligible individual (as
 12 defined in subclause (II)). In applying
 13 this paragraph in the case of a State
 14 making such an option, any reference
 15 in this paragraph to a child with re-
 16 spect to this title (other than a ref-
 17 erence to child health assistance) shall
 18 be deemed to be a reference to an eli-
 19 gible individual.

20 “(II) ELIGIBLE INDIVIDUAL DE-
 21 FINED.—In this clause, the term ‘eli-
 22 gible individual’ means any of the fol-
 23 lowing:

24 “(aa) A qualified medicare
 25 beneficiary described in section

1 1905(p)(1) for purposes of deter-
2 mining eligibility for medicare
3 cost-sharing (as defined in sec-
4 tion 1905(p)(3)).

5 “(bb) A specified low-income
6 medicare beneficiary described in
7 subsection (a)(10)(E)(iii) of this
8 section for purposes of deter-
9 mining eligibility for medicare
10 cost-sharing described in section
11 1905(p)(3)(A)(ii).

12 “(cc) A qualified disabled
13 and working individual described
14 in section 1905(s) for purposes of
15 determining eligibility for medi-
16 care cost-sharing described in
17 section 1905(p)(3)(A)(i).

18 “(dd) During the period
19 that begins on the date of enact-
20 ment of this clause and ends on
21 December 31, 2017, a qualifying
22 individual described in subsection
23 (a)(10)(E)(iv) for purposes of de-
24 termining eligibility for medicare

1 cost-sharing described in section
2 1905(p)(3)(A)(ii).”.

3 (g) EFFECTIVE DATE.—

4 (1) IN GENERAL.—Except as provided in para-
5 graphs (2) and (3), the amendments and repeal
6 made by this section take effect on January 1, 2018,
7 and, with respect to title XIX of the Social Security
8 Act, apply to calendar quarters beginning on or after
9 January 1, 2018.

10 (2) EXPRESS LANE ELIGIBILITY FOR MSP.—
11 The amendments made by subsection (f)(3) take ef-
12 fect on the date of enactment of this Act.

13 (3) EXCEPTION FOR STATE LEGISLATION.—In
14 the case of a State plan for medical assistance under
15 title XIX of the Social Security Act which the Sec-
16 retary of Health and Human Services determines re-
17 quires State legislation (other than legislation appro-
18 priating funds) in order for the plan to meet the ad-
19 ditional requirements imposed by the amendments
20 and repeal made by this section (other than the
21 amendments made by subsection (f)(3)), the State
22 plan shall not be regarded as failing to comply with
23 the requirements of such title solely on the basis of
24 its failure to meet these additional requirements be-
25 fore the first day of the first calendar quarter begin-

1 ning after the close of the first regular session of the
 2 State legislature that begins after the date of the en-
 3 actment of this Act. For purposes of the previous
 4 sentence, in the case of a State that has a 2-year
 5 legislative session, each year of such session shall be
 6 deemed to be a separate regular session of the State
 7 legislature.

8 **SEC. 4. REDUCING MEDICARE COST-SHARING FOR LOW-IN-**
 9 **COME BENEFICIARIES.**

10 (a) IN GENERAL.—Title XVIII of the Social Security
 11 Act (42 U.S.C. 1395 et seq.), as amended by section 2,
 12 is amended by adding at the end the following new section:

13 “REDUCTION IN MEDICARE COST-SHARING FOR LOW-
 14 INCOME BENEFICIARIES

15 “SEC. 1899D. (a) IN GENERAL.—Notwithstanding
 16 any other provision of this title, in the case of items and
 17 services furnished on or after January 1, 2018, to an ap-
 18 plicable low-income individual, the amount of any coinsur-
 19 ance or copayment otherwise applicable to the item or
 20 service under part A or B shall be reduced by 50 percent.

21 “(b) APPLICABLE LOW-INCOME INDIVIDUAL DE-
 22 FINED.—

23 “(1) IN GENERAL.—In this section, the term
 24 ‘applicable low-income individual’ means an indi-
 25 vidual—

1 “(A) entitled to, or enrolled for, benefits
2 under part A or enrolled in part B;

3 “(B) who is determined to have income
4 that is greater than 135 percent and less than
5 or equal to 200 percent of the poverty line ap-
6 plicable to a family of the size involved; and

7 “(C) whose resources (as determined under
8 section 1613 for purposes of the supplemental
9 security income program subject to the resource
10 exclusions provided under section 1860D–
11 14(a)(3)(F)) do not exceed the amount in effect
12 for the year under section 1905(p)(1)(C)(ii).

13 “(2) INCOME DETERMINATIONS.—For purposes
14 of applying this section—

15 “(A) income shall be determined in the
16 manner described in section 1905(p)(1)(B),
17 without regard to the application of section
18 1902(r)(2); and

19 “(B) ‘poverty line’ has the meaning given
20 such term in section 673(2) of the Community
21 Services Block Grant Act (42 U.S.C. 9902(2)),
22 including any revision required by such section.

23 Nothing in subparagraph (A) shall be construed to
24 affect the application of section 1902(r)(2) for the

1 determination of eligibility for medical assistance
 2 under title XIX.

3 “(c) ESTABLISHMENT OF PROCEDURES FOR IDENTI-
 4 FICATION OF APPLICABLE LOW-INCOME INDIVIDUALS
 5 AND NOTIFICATION OF PROVIDERS OF SERVICES AND
 6 SUPPLIERS.—

7 “(1) IN GENERAL.—The Secretary, in consulta-
 8 tion with the Commissioner of Social Security and
 9 the Secretary of the Treasury, shall establish proce-
 10 dures for—

11 “(A) the determination of whether an indi-
 12 vidual is an applicable low-income individual;
 13 and

14 “(B) the notification of providers of serv-
 15 ices and suppliers in the case where an indi-
 16 vidual is an applicable low-income individual so
 17 that the reduction in any coinsurance or copay-
 18 ment under subsection (a) is applied at the time
 19 the item or service is provided to the applicable
 20 low-income individual.

21 “(2) DETERMINATIONS.—

22 “(A) IN GENERAL.—The provisions of sec-
 23 tion 1860D–14(a)(3)(B)(i) shall apply to the
 24 determination of whether an individual is an
 25 applicable low-income individual under this sec-

1 tion in the same manner as such provisions
 2 apply to the determination of whether a part D
 3 eligible is a subsidy eligible individual under
 4 section 1860D–14(a)(3)(B)(i).

5 “(B) EFFECTIVE PERIOD.—Determina-
 6 tions under this subsection shall be effective for
 7 a period determined appropriate by the Sec-
 8 retary.

9 “(d) NO EFFECT ON PAYMENT TO PROVIDERS OF
 10 SERVICES OR SUPPLIERS.—Notwithstanding any other
 11 provision of this title, in the case of an item or service
 12 for which the reduction in coinsurance or copayment under
 13 subsection (a) applies, the amount of payment otherwise
 14 applicable for the item or service under part A or B shall
 15 be increased by the amount of the reduction in coinsur-
 16 ance or copayment under such subsection.”.

17 (b) DISCLOSURE.—Section 6103(l)(7)(D)(ii) of the
 18 Internal Revenue Code of 1986 is amended—

19 (1) by striking “or subsidies” and inserting “,
 20 subsidies”; and

21 (2) by inserting “, or reduced cost-sharing pro-
 22 vided under section 1899D” before the period at the
 23 end.

1 **SEC. 5. ELIMINATING THE 24-MONTH WAITING PERIOD FOR**
 2 **MEDICARE COVERAGE FOR INDIVIDUALS**
 3 **WITH DISABILITIES.**

4 (a) IN GENERAL.—Section 226(b) of the Social Secu-
 5 rity Act (42 U.S.C. 426(b)) is amended—

6 (1) in paragraph (2)(A), by striking “, and has
 7 for 24 calendar months been entitled to,”;

8 (2) in paragraph (2)(B), by striking “, and has
 9 been for not less than 24 months,”;

10 (3) in paragraph (2)(C)(ii), by striking “, in-
 11 cluding the requirement that he has been entitled to
 12 the specified benefits for 24 months,”;

13 (4) in the first sentence, by striking “for each
 14 month beginning with the later of (I) July 1973 or
 15 (II) the twenty-fifth month of his entitlement or sta-
 16 tus as a qualified railroad retirement beneficiary de-
 17 scribed in paragraph (2), and” and inserting “for
 18 each month for which the individual meets the re-
 19 quirements of paragraph (2), beginning with the
 20 month following the month in which the individual
 21 meets the requirements of such paragraph, and”;
 22 and

23 (5) in the second sentence, by striking “the
 24 ‘twenty-fifth month of his entitlement’” and all that
 25 follows through “paragraph (2)(C) and”.

26 (b) CONFORMING AMENDMENTS.—

1 (1) SECTION 226.—Section 226 of the Social
2 Security Act (42 U.S.C. 426) is amended by—

3 (A) striking subsections (e)(1)(B), (f), and
4 (h); and

5 (B) redesignating subsections (g) and (i)
6 as subsections (f) and (g), respectively.

7 (2) MEDICARE DESCRIPTION.—Section 1811(2)
8 of the Social Security Act (42 U.S.C. 1395c(2)) is
9 amended by striking “have been entitled for not less
10 than 24 months” and inserting “are entitled”.

11 (3) MEDICARE COVERAGE.—Section 1837(g)(1)
12 of the Social Security Act (42 U.S.C. 1395p(g)(1))
13 is amended by striking “25th month of” and insert-
14 ing “month following the first month of”.

15 (4) RAILROAD RETIREMENT SYSTEM.—Section
16 7(d)(2)(ii) of the Railroad Retirement Act of 1974
17 (45 U.S.C. 231f(d)(2)(ii)) is amended—

18 (A) by striking “has been entitled to an
19 annuity” and inserting “is entitled to an annu-
20 ity”;

21 (B) by striking “, for not less than 24
22 months”; and

23 (C) by striking “could have been entitled
24 for 24 calendar months, and”.

1 (c) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to insurance benefits under title
 3 XVIII of the Social Security Act with respect to items and
 4 services furnished in months beginning after December
 5 2017.

6 **SEC. 6. IMPROVING MEDICARE BENEFICIARY ENROLL-**
 7 **MENT PROCEDURES AND EFFECTIVE DATES**
 8 **OF COVERAGE.**

9 (a) GENERAL ENROLLMENT PERIOD.—Section
 10 1837(e) of the Social Security Act (42 U.S.C. 1395p(e))
 11 is amended to read as follows:

12 “(e) GENERAL AND SPECIAL ENROLLMENT PERI-
 13 ODS.—

14 “(1) GENERAL ENROLLMENT.—

15 “(A) FOR COVERAGE DURING YEARS BE-
 16 FORE 2018.—There shall be a general enroll-
 17 ment period during the period beginning on
 18 January 1 and ending on March 31 of each
 19 year before 2018.

20 “(B) FOR COVERAGE DURING YEARS BE-
 21 GINNING WITH 2018.—Subject to subparagraph
 22 (B), there shall be a general enrollment period
 23 beginning on October 15 and ending on Decem-
 24 ber 31 of 2017 and each subsequent year.

1 “(2) SPECIAL ENROLLMENT.—Beginning Janu-
 2 ary 1, 2018, the Secretary shall establish special en-
 3 rollment periods in the case of an individual who
 4 meets such exceptional conditions as the Secretary
 5 may provide.”.

6 (b) EFFECTIVE DATES OF COVERAGE.—

7 (1) IN GENERAL.—Section 1838(a) of the So-
 8 cial Security Act (42 U.S.C. 1395q(a)) is amend-
 9 ed—

10 (A) by amending paragraph (2) to read as
 11 follows:

12 “(2)(A) in the case of an individual who enrolls
 13 pursuant to subsection (d) of section 1837 before
 14 the month in which he first satisfies paragraph (1)
 15 or (2) of section 1836, the first day of such month,
 16 or

17 “(B) in the case of an individual not described
 18 in subparagraph (A) who first satisfies such para-
 19 graph in a month beginning before January 1, 2018,
 20 and who enrolls—

21 “(i) pursuant to such subsection (d) in
 22 such month in which he first satisfies such
 23 paragraph, the first day of the month following
 24 the month in which he so enrolls, or

1 “(ii) pursuant to such subsection (d) in the
2 month following such month in which he first
3 satisfies such paragraph, the first day of the
4 second month following the month in which he
5 so enrolls, or

6 “(iii) pursuant to such subsection (d) more
7 than one month following such month in which
8 he satisfies such paragraph, the first day of the
9 third month following the month in which he so
10 enrolls, or

11 “(C) in the case of an individual not described
12 in subparagraph (A) who enrolls pursuant to sub-
13 section (e) of section 1837 in a month beginning—

14 “(i) before April 1, 2017, the July 1 fol-
15 lowing the month in which he so enrolls, or

16 “(ii) on or after October 1, 2017, the first
17 day of the month following the month in which
18 he so enrolls, or

19 “(D) in the case of an individual not described
20 in subparagraph (A) who first satisfies such para-
21 graph in a month beginning on or after January 1,
22 2018, and who enrolls pursuant to such subsection
23 (d) in such month in which he first satisfies such
24 paragraph or in any subsequent month in the initial

1 enrollment period, the first day of the month fol-
 2 lowing the month in which he so enrolls; or”; and

3 (B) in paragraph (3), by striking “sub-
 4 paragraphs (B), (C), (D), and (E) of paragraph
 5 (2) of this subsection” and inserting “subpara-
 6 graphs (B) and (C) of paragraph (2), as appli-
 7 cable”.

8 (2) TECHNICAL CORRECTION.—Section 1839(b)
 9 of the Social Security Act (42 U.S.C. 1395r(b)) is
 10 amended, in the second sentence, by striking “close
 11 of the enrollment period” each place it appears and
 12 inserting “close of the month”.

13 (c) APPLICATION OF THE PART A LATE ENROLL-
 14 MENT PENALTY TIME LIMITATION PROVISION TO THE
 15 PART B LATE ENROLLMENT PENALTY.—

16 (1) IN GENERAL.—Section 1839(b) of the So-
 17 cial Security Act (42 U.S.C. 1395r(b)) is amended
 18 by adding at the end the following new sentence:
 19 “Any percent increase in an individual’s monthly
 20 premium under the first sentence shall only apply to
 21 premiums paid during a period equal to twice the
 22 number of months in the full 12-month periods de-
 23 scribed in the first sentence.”.

24 (2) CONFORMING AMENDMENT TO THE PART A
 25 LATE ENROLLMENT PENALTY.—Section 1818(c)(6)

1 of the Social Security Act (42 U.S.C. 1395i–2(c)(6))
 2 is amended by striking “and shall only apply to pre-
 3 miums paid during a period equal to twice the num-
 4 ber of months in the full 12-month periods described
 5 in that section”.

6 (3) EFFECTIVE DATE.—

7 (A) IN GENERAL.—The amendments made
 8 by this section shall take effect on the date of
 9 the enactment of this Act and shall apply to
 10 premiums for months beginning on or after
 11 January 1, 2018.

12 (B) COUNTING OF MONTHS.—In applying
 13 the amendment made by paragraph (1), months
 14 (occurring before, during, or after the month
 15 that includes the date of the enactment of this
 16 Act) in which an individual’s monthly premium
 17 is increased under subsection (b) of section
 18 1839 of the Social Security Act (42 U.S.C.
 19 1395r) shall be taken into account in deter-
 20 mining whether the limitation under the last
 21 sentence of such subsection (b), as added by
 22 paragraph (1), is applicable.

23 (d) APPLICATION OF PART B DEEMED ENROLLMENT
 24 PROCESS TO RESIDENTS OF PUERTO RICO; SPECIAL EN-

1 ROLLMENT PERIOD AND LIMIT ON LATE ENROLLMENT
 2 PENALTIES.—

3 (1) APPLICATION OF PART B DEEMED ENROLL-
 4 MENT PROCESS TO RESIDENTS OF PUERTO RICO.—
 5 Section 1837(f)(3) of the Social Security Act (42
 6 U.S.C. 1395p(f)(3)) is amended by striking “, exclu-
 7 sive of Puerto Rico”.

8 (2) EFFECTIVE DATE.—The amendment made
 9 by paragraph (1) shall apply to individuals whose
 10 initial enrollment period under section 1837(d) of
 11 the Social Security Act begins on or after the first
 12 day of the effective month, specified by the Sec-
 13 retary of Health and Human Services under section
 14 1839(j)(1)(C) of such Act, as added by subsection
 15 (c)(2).

16 (3) TRANSITION PROVIDING SPECIAL ENROLL-
 17 MENT PERIOD AND LIMIT ON LATE ENROLLMENT
 18 PENALTIES FOR CERTAIN MEDICARE BENE-
 19 FICIARIES.—Section 1839 of the Social Security Act
 20 (42 U.S.C. 1395r) is amended—

21 (A) in the first sentence of subsection (b),
 22 by inserting “subject to section 1839(j)(2),”
 23 after “subsection (i)(4) or (l) of section 1837,”;
 24 and

1 (B) by adding at the end the following new
 2 subsection:

3 “(j) SPECIAL RULES FOR CERTAIN RESIDENTS OF
 4 PUERTO RICO.—

5 “(1) SPECIAL ENROLLMENT PERIOD, COVERAGE
 6 PERIOD FOR RESIDENTS WHO ARE ELIGIBLE BUT
 7 NOT ENROLLED.—

8 “(A) IN GENERAL.—In the case of a tran-
 9 sition individual (as defined in paragraph (3))
 10 who is not enrolled under this part as of the
 11 day before the first day of the effective month
 12 (as defined in subparagraph (C)), the Secretary
 13 shall provide for a special enrollment period
 14 under section 1837 of 7 months beginning with
 15 such effective month during which the indi-
 16 vidual may be enrolled under this part.

17 “(B) COVERAGE PERIOD.—In the case of
 18 such an individual who enrolls during such spe-
 19 cial enrollment period, the coverage period
 20 under section 1838 shall begin on the first day
 21 of the second month after the month in which
 22 the individual enrolls.

23 “(C) EFFECTIVE MONTH DEFINED.—In
 24 this section, the term ‘effective month’ means a
 25 month, not earlier than October 2017 and not

1 later than January 2018, specified by the Sec-
 2 retary.

3 “(2) REDUCTION IN LATE ENROLLMENT PEN-
 4 ALTIES FOR CURRENT ENROLLEES AND INDIVID-
 5 UALS ENROLLING DURING TRANSITION.—

6 “(A) IN GENERAL.—In the case of a tran-
 7 sition individual who is enrolled under this part
 8 as of the day before the first day of the effec-
 9 tive month or who enrolls under this part on or
 10 after the date of the enactment of this sub-
 11 section but before the end of the special enroll-
 12 ment period under paragraph (1)(A), the
 13 amount of the late enrollment penalty imposed
 14 under section 1839(b) shall be recalculated by
 15 reducing the penalty to 15 percent of the pen-
 16 alty otherwise established.

17 “(B) APPLICATION.—Subparagraph (A)
 18 shall be applied in the case of a transition indi-
 19 vidual who—

20 “(i) is enrolled under this part as of
 21 the month before the effective month, for
 22 premiums for months beginning with such
 23 effective month; or

24 “(ii) enrolls under this part on or
 25 after the date of the enactment of this Act

1 and before the end of the special enroll-
2 ment period under paragraph (1)(A), for
3 premiums for months during the coverage
4 period under this part which occur during
5 or after the effective month.

6 “(C) LOSS OF REDUCTION IF INDIVIDUAL
7 TERMINATES ENROLLMENT.—Subparagraph
8 (A) shall not apply to a transition individual if
9 the individual terminates enrollment under this
10 part after the end of the special enrollment pe-
11 riod under paragraph (1).

12 “(3) TRANSITION INDIVIDUAL DEFINED.—In
13 this section, the term ‘transition individual’ means
14 an individual who resides in Puerto Rico and who
15 would have been deemed enrolled under this part
16 pursuant to section 1837(f) before the first day of
17 the effective month but for the fact that the indi-
18 vidual was a resident of Puerto Rico, regardless of
19 whether the individual is enrolled under this part as
20 of such first day.”.

1 **SEC. 7. ELIMINATING EXCLUSION OF PART D ELIGIBLE IN-**
 2 **DIVIDUALS RESIDING IN TERRITORIES FROM**
 3 **ELIGIBILITY FOR PREMIUM AND COST-SHAR-**
 4 **ING SUBSIDIES.**

5 (a) IN GENERAL.—Section 1860D–14(a)(3) of the
 6 Social Security Act (42 U.S.C. 1395w–114(a)(3)), as
 7 amended by section 3(d), is amended—

8 (1) in subparagraph (A), in the matter pre-
 9 ceding clause (i), by striking “subject to subpara-
 10 graph (E),”;

11 (2) in subparagraph (B)(v), in the matter pre-
 12 ceding subclause (I), by striking “Subject to sub-
 13 paragraph (E), the Secretary” and inserting “The
 14 Secretary”;

15 (3) in subparagraph (C), by adding at the end
 16 the following new sentence: “In the case of an indi-
 17 vidual who is not a resident of the 50 States or the
 18 District of Columbia, the poverty line (as such term
 19 is defined in clause (ii)) that shall apply to such in-
 20 dividual shall be the poverty line for the 48 contig-
 21 uous States and the District of Columbia.”;

22 (4) by striking subparagraph (E), as redesign-
 23 nated by section 3(d)(1); and

24 (5) by redesignating subparagraphs (F) and
 25 (G), as added by section 3(d)(2), as subparagraphs
 26 (E) and (F), respectively.

1 (b) APPLICATION OF MEDICAID PROVISIONS.—Sec-
 2 tion 1935 of the Social Security Act (42 U.S.C. 1396u-
 3 5) is amended—

4 (1) in subsection (a), by striking “subject to
 5 subsection (e)” in the matter preceding paragraph
 6 (1); and

7 (2) by striking subsection (e).

8 (c) CONFORMING AMENDMENTS.—

9 (1) Section 1108(f) of the Social Security Act
 10 (42 U.S.C. 1308(f)) is amended by striking “and
 11 section 1935(e)(1)(B)” in the matter preceding
 12 clause (i).

13 (2) Section 1860D–14(a) of the Social Security
 14 Act (42 U.S.C. 1395w–114(a)), as amended by sec-
 15 tion 3(d), is amended—

16 (A) in paragraph (1), in the matter pre-
 17 ceding subparagraph (A), by striking “subpara-
 18 graph (3)(G)” and inserting “subparagraph
 19 (3)(F)”; and

20 (B) in paragraph (3)—

21 (i) in subparagraph (A)(ii), by strik-
 22 ing “subparagraph (G)” and inserting
 23 “subparagraph (F)”; and

1 (ii) in subparagraph (D)(i), by strik-
 2 ing “subparagraph (F)” and inserting
 3 “subparagraph (E)”.

4 (3) Section 1905 of the Social Security Act (42
 5 U.S.C. 1396d) is amended—

6 (A) in subsection (p)—

7 (i) in paragraph (1)(C), by striking
 8 “subparagraph (F)” and inserting “sub-
 9 paragraph (E)”; and

10 (ii) in clause (iii) of paragraph (2)(D),
 11 as added by section 3(e)(2)(A)(ii), by strik-
 12 ing “section 1860D–14(a)(3)(G)” and in-
 13 serting “section 1860D–14(a)(3)(F)”; and
 14 (B) in subsection (s)—

15 (i) in paragraph (2), by striking “sec-
 16 tion 1860D–14(a)(3)(G)” and inserting
 17 “section 1860D–14(a)(3)(F)”; and

18 (ii) in paragraph (3), by striking
 19 “subparagraph (F)” and inserting “sub-
 20 paragraph (E)”.

21 (d) EFFECTIVE DATE.—The amendments made by
 22 this section shall take effect on January 1, 2017.

1 **SEC. 8. EXTENDING FUNDING FOR LOW-INCOME MEDICARE**
 2 **BENEFICIARY OUTREACH AND ASSISTANCE**
 3 **EDUCATION ACTIVITIES.**

4 (a) ADDITIONAL FUNDING FOR STATE HEALTH IN-
 5 SURANCE PROGRAMS.—Section 119 of the Medicare Im-
 6 provements for Patients and Providers Act of 2008 (42
 7 U.S.C. 1395b–3 note), as amended by section 3306 of the
 8 Patient Protection and Affordable Care Act (Public Law
 9 111–148), section 610 of the American Taxpayer Relief
 10 Act of 2012 (Public Law 112–240), section 1110 of the
 11 Pathway for SGR Reform Act of 2013 (Public Law 113–
 12 67), section 110 of the Protecting Access to Medicare Act
 13 of 2014 (Public Law 113–93), and section 208 of the
 14 Medicare Access and CHIP Reauthorization Act of 2015
 15 (Public Law 114–10) is amended—

16 (1) in subsection (a)(1)(B)—

17 (A) in clause (vi), by striking “and” at the
 18 end;

19 (B) in clause (vii), by striking the period
 20 at the end and inserting “; and”; and

21 (C) by inserting after clause (vii) at the
 22 end the following new clause:

23 “(viii) for fiscal year 2018 and each
 24 subsequent year, of the amount transferred
 25 under this subparagraph for the preceding
 26 fiscal year, increased by the percentage in-

1 crease determined under subsection (h) for
2 the fiscal year.”; and

3 (2) by adding at the end the following new sub-
4 section:

5 “(h) For purposes of subsections (a)(1)(B)(viii),
6 (b)(1)(B)(viii), (c)(1)(B)(viii), and (d)(2)(viii), the per-
7 centage increase determined under this subsection for a
8 fiscal year is equal to the sum of the—

9 “(1) the percentage increase in the consumer
10 price index for all urban consumers (all items;
11 United States city average) for the 12-month period
12 ending with July preceding the beginning of the fis-
13 cal year; and

14 “(2) the percentage increase in the average
15 number of individuals enrolled in part B of title
16 XVIII of the Social Security Act, from the preceding
17 fiscal year to such fiscal year, as estimated by the
18 Chief Actuary of the Centers for Medicare & Med-
19 icaid Services.”.

20 (b) ADDITIONAL FUNDING FOR AREA AGENCIES ON
21 AGING.—Subsection (b)(1)(B) of such section 119, as so
22 amended, is amended—

23 (1) in clause (vi), by striking “and” at the end;

24 (2) in clause (vii), by striking the period at the
25 end and inserting “; and”; and

1 (3) by inserting after clause (vii) the following
2 new clause:

3 “(viii) for fiscal year 2018 and each
4 subsequent year, of the amount transferred
5 under this subparagraph for the preceding
6 fiscal year, increased by the percentage in-
7 crease determined under subsection (h) for
8 the fiscal year.”.

9 (c) ADDITIONAL FUNDING FOR AGING AND DIS-
10 ABILITY RESOURCE CENTERS.—Subsection (c)(1)(B) of
11 such section 119, as so amended, is amended—

12 (1) in clause (vi), by striking “and” at the end;

13 (2) in clause (vii), by striking the period at the
14 end and inserting “; and”; and

15 (3) by inserting after clause (vii) the following
16 new clauses:

17 “(viii) for fiscal year 2018 and each
18 subsequent year, of the amount transferred
19 under this subparagraph for the preceding
20 fiscal year, increased by the percentage in-
21 crease determined under subsection (h) for
22 the fiscal year.”.

23 (d) ADDITIONAL FUNDING FOR CONTRACT WITH
24 THE NATIONAL CENTER FOR BENEFITS AND OUTREACH

1 ENROLLMENT.—Subsection (d)(2) of such section 119, as
2 so amended, is amended—

3 (1) in clause (vi), by striking “and” at the end;

4 (2) in clause (vii), by striking the period at the
5 end and inserting “; and”;

6 (3) by inserting after clause (vii) the following
7 new clause:

8 “(viii) for fiscal year 2018 and each
9 subsequent year, of the amount transferred
10 under this paragraph for the preceding fis-
11 cal year, increased by the percentage in-
12 crease determined under subsection (h) for
13 the fiscal year.”; and

14 (4) in the flush sentence at the end, by striking
15 “subparagraph” and inserting “paragraph”.

○