

115TH CONGRESS
2D SESSION

S. 3316

To amend title XVIII 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

AUGUST 1, 2018

Mr. NELSON introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII 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 “Helping Seniors Afford Medicare Act of 2018”.

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. Improving Medicare beneficiary enrollment procedures and effective dates of coverage.

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 2019) 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-
 20 able under part B, shall be 100 percent of such
 21 amount for the remainder of that year; and

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

1 “(b) ANNUAL OUT-OF-POCKET LIMIT.—

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

4 “(A) for 2019, \$5,500; or

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

11 “(2) ROUNDING.—If any amount determined
12 under paragraph (1)(B) is not a multiple of \$5, such
13 amount shall be rounded to the nearest multiple of
14 \$5.

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

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

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

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

1 “(2) CERTAIN COSTS NOT INCLUDED.—

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

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

19 “(3) SOURCE OF PAYMENT.—For purposes of
20 paragraph (1), the Secretary shall consider expenses
21 to be incurred by the individual without regard to
22 whether the individual or another person, including
23 a State program, an employer, a medicare supple-
24 mental policy, or other third-party coverage, has
25 paid for such expenses.

1 “(d) ANNOUNCEMENT OF THE ANNUAL OUT-OF-
 2 POCKET LIMIT.—The Secretary shall (beginning in 2019)
 3 announce (in a manner intended to provide notice to all
 4 interested parties) the annual out-of-pocket limit under
 5 this section that will be applicable for the succeeding
 6 year.”.

7 **SEC. 3. REDUCING COST-SHARING, ALIGNING INCOME AND**
 8 **RESOURCE ELIGIBILITY TESTS, AND SIMPLI-**
 9 **FYING ENROLLMENT FOR LOW-INCOME**
 10 **BENEFICIARIES.**

11 (a) INCREASE IN INCOME ELIGIBILITY TO 135 PER-
 12 CENT OF FPL FOR QUALIFIED MEDICARE BENE-
 13 FICIARIES.—Section 1905(p)(2) of the Social Security Act
 14 (42 U.S.C. 1396d(p)(2)) is amended—

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

17 (2) in subparagraph (B)—

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

19 (ii);

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

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

23 “(iv) January 1, 2020, is 135 percent.”; and

24 (3) in subparagraph (C)—

1 (A) by striking “and” at the end of clause
 2 (iii);

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

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

6 “(v) January 1, 2020, is 135 percent.”.

7 (b) INCREASE IN INCOME ELIGIBILITY TO 150 PER-
 8 CENT OF FPL FOR SPECIFIED LOW-INCOME MEDICARE
 9 BENEFICIARIES.—

10 (1) ELIGIBILITY OF INDIVIDUALS WITH IN-
 11 COMES BELOW 150 PERCENT OF FPL.—Section
 12 1902(a)(10)(E) of the Social Security Act (42
 13 U.S.C. 1396b(a)(10)(E)) is amended—

14 (A) by adding “and” at the end of clause
 15 (ii);

16 (B) in clause (iii)—

17 (i) by striking “and 120 percent in
 18 1995 and years thereafter” and inserting
 19 “120 percent in 1995 and years thereafter
 20 before 2020, and 150 percent in 2020 and
 21 years thereafter”; and

22 (ii) by striking “and” at the end; and

23 (C) by striking clause (iv).

24 (2) REFERENCES.—Section 1905(p)(1) of such
 25 Act (42 U.S.C. 1396d(p)(1)) is amended by insert-

1 ing after subparagraph (C) the following flush sen-
2 tence:

3 “The term ‘specified low-income medicare beneficiary’
4 means an individual described in section
5 1902(a)(10)(E)(iii).”.

6 (3) CONFORMING AMENDMENTS.—

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

10 (B) Section 1933 of such Act (42 U.S.C.
11 1396u-3) is repealed.

12 (c) 100 PERCENT FMAP.—Section 1905 of the So-
13 cial Security Act (42 U.S.C. 1396d) is amended—

14 (1) in subsection (b), by striking “and (aa)”
15 and inserting “(aa), and (ee)”; and

16 (2) by adding at the end the following new sub-
17 section:

18 “(ee) INCREASED FMAP FOR EXPANDED MEDICARE
19 COST-SHARING POPULATIONS.—

20 “(1) IN GENERAL.—Notwithstanding subsection
21 (b), with respect to expenditures described in para-
22 graph (2), the Federal medical assistance percentage
23 shall be equal to 100 percent.

24 “(2) EXPENDITURES DESCRIBED.—The expend-
25 itures described in this paragraph are expenditures

made on or after January 1, 2020, 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, 2018.”.

(d) CONSOLIDATION OF LOW-INCOME SUBSIDY RESOURCE 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 Security Act (42 U.S.C. 1395w–114(a)(3)), as amended by paragraph (1), is amended by striking subparagraph (F) and inserting the new following new subparagraphs:

“(F) RESOURCE EXCLUSIONS.—In determining the resources of an individual (and the eligible spouse of the individual, if any) under section 1613 for purposes of subparagraph (D)—

“(i) no part of the value of any life insurance policy shall be taken into account;

“(ii) no part of the value of any vehicle shall be taken into account; and

“(iii) there shall be excluded an amount equal to \$1,500 each with respect to any individual or eligible spouse of an individual who attests that some of the resources of such individual or spouse will be used to meet the burial and related expenses of such individual or spouse.

“(G) FAMILY SIZE.—In determining the size of the family of an individual for purposes of determining the income eligibility of such individual under this section, an individual’s family shall consist of—

“(i) the individual;

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

1 “(iii) any other individuals who—
 2 “(I) are related to the individual
 3 whose income eligibility is in question
 4 or such individual’s spouse who lives
 5 in the same household;
 6 “(II) are living in the same
 7 household as such individual; and
 8 “(III) are dependent on such in-
 9 dividual or such individual’s spouse
 10 who is living in the same household
 11 for at least one-half of their financial
 12 support.”.

13 (3) CONFORMING AMENDMENTS.—Section
 14 1860D–14(a) of the Social Security Act (42 U.S.C.
 15 1395w–114(a)) is amended—

16 (A) in paragraph (1), in the matter pre-
 17 ceding subparagraph (A), by inserting “(as de-
 18 termined under paragraph (3)(G))” after “fam-
 19 ily of the size involved”; and

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

22 (i) in subparagraph (A), in the matter
 23 preceding clause (i), by striking “subpara-
 24 graph (F)” and inserting “subparagraph
 25 (E)”;

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

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

6 (iv) in subparagraph (B)(v), in the
 7 matter preceding subclause (I), by striking
 8 “subparagraph (F)” and inserting “sub-
 9 paragraph (E)”;

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

17 (e) ALIGNMENT OF LOW-INCOME SUBSIDY AND
 18 MEDICARE SAVINGS PROGRAM INCOME AND RESOURCE
 19 ELIGIBILITY TESTS.—

20 (1) APPLICATION OF MEDICAID SPOUSAL IM-
 21 POVERISHMENT RESOURCE ALLOWANCE TO MSP AND
 22 LIS RESOURCE ELIGIBILITY.—

23 (A) IN GENERAL.—Section 1905(p)(1)(C)
 24 of the Social Security Act (42 U.S.C.
 25 1396d(p)(1)(C)) is amended to read as follows:

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

6 “(i) in the case of an individual with a
 7 spouse, an amount equal to the sum of the first
 8 amount specified in subsection (f)(2)(A)(i) of
 9 section 1924 (as adjusted under subsection (g)
 10 of such section) and the amount specified in
 11 subsection (f)(2)(A)(ii)(II) of such section (as
 12 so adjusted); or

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

16 (B) APPLICATION TO QDWIS.—Section
 17 1905(s)(3) of the Social Security Act (42
 18 U.S.C. 1396d(s)(3)) is amended to read as fol-
 19 lows:

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

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

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

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

12 “(i) IN GENERAL.—The resources re-
 13 quirement of this subparagraph is that an
 14 individual’s resources (as determined under
 15 section 1613 for purposes of the supple-
 16 mental security income program subject to
 17 the resource exclusions provided under
 18 subparagraph (F)) do not exceed the
 19 amount in effect for the year under section
 20 1905(p)(1)(C)(ii).”.

21 (f) ENROLLMENT SIMPLIFICATIONS.—

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

24 (A) IN GENERAL.—Section 1902(e)(8) of
 25 the Social Security Act (42 U.S.C. 1396a(e)(8))

1 is amended by striking “after the end of the
 2 month in which the determination first occurs”
 3 and inserting “in or after the third month be-
 4 fore the month in which the individual makes
 5 application for assistance”.

6 (B) CONFORMING AMENDMENT.—Section
 7 1905(a) of the Social Security Act (42 U.S.C.
 8 1396d(a)) is amended, in the matter preceding
 9 paragraph (1), by striking “or, in the case of
 10 medicare cost-sharing with respect to a quali-
 11 fied medicare beneficiary described in sub-
 12 section (p)(1), if provided after the month in
 13 which the individual becomes such a bene-
 14 ficiary”.

15 (2) STATE OPTION FOR 12-MONTH CONTINUOUS
 16 ELIGIBILITY FOR SLMBS AND QWDIS.—Section
 17 1902(e)(12) of the Social Security Act (42 U.S.C.
 18 1396a(e)(12)) is amended—

19 (A) by redesignating subparagraphs (A)
 20 and (B) as clauses (i) and (ii), respectively;

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

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

23 “(B) At the option of the State, the plan may provide
 24 that an individual who is determined to be eligible for ben-
 25 efits under a State plan approved under this title under

1 any of the following eligibility categories, or who is rede-
 2 termined to be eligible for such benefits under any of such
 3 categories, shall be considered to meet the eligibility re-
 4 quirements met on the date of application and shall re-
 5 main eligible for those benefits until the end of the 12-
 6 month period following the date of the determination or
 7 redetermination of eligibility, except that a State may pro-
 8 vide for such determinations more frequently, but not
 9 more frequently than once every 6 months for an indi-
 10 vidual:

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

15 “(ii) A qualified disabled and working indi-
 16 vidual described in section 1905(s) who is deter-
 17 mined eligible for medicare cost-sharing described in
 18 section 1905(p)(3)(A)(i).”.

19 (3) STATE OPTION TO USE EXPRESS LANE ELI-
 20 GIBILITY FOR THE MEDICARE SAVINGS PROGRAM.—
 21 Section 1902(e)(13)(A) of the Social Security Act
 22 (42 U.S.C. 1396a(e)(13)(A)) is amended by adding
 23 at the end the following new clause:

1 “(iii) STATE OPTION TO EXTEND EX-
 2 PRESS LANE ELIGIBILITY TO OTHER POPU-
 3 LATIONS.—

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

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

21 “(aa) A qualified medicare
 22 beneficiary described in section
 23 1905(p)(1) for purposes of deter-
 24 mining eligibility for medicare

1 cost-sharing (as defined in sec-
2 tion 1905(p)(3)).

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

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

16 “(dd) During the period
17 that begins on the date of enact-
18 ment of this clause and ends on
19 December 31, 2019, a qualifying
20 individual described in subsection
21 (a)(10)(E)(iv) for purposes of de-
22 termining eligibility for medicare
23 cost-sharing described in section
24 1905(p)(3)(A)(ii).”.

25 (g) EFFECTIVE DATE.—

1 (1) IN GENERAL.—Except as provided in para-
2 graphs (2) and (3), the amendments and repeal
3 made by this section take effect on January 1, 2020,
4 and, with respect to title XIX of the Social Security
5 Act, apply to calendar quarters beginning on or after
6 January 1, 2020.

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

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

1 sentence, in the case of a State that has a 2-year
 2 legislative session, each year of such session shall be
 3 deemed to be a separate regular session of the State
 4 legislature.

5 **SEC. 4. REDUCING MEDICARE COST-SHARING FOR LOW-IN-**
 6 **COME BENEFICIARIES.**

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

10 “REDUCTION IN MEDICARE COST-SHARING FOR LOW-
 11 INCOME BENEFICIARIES

12 “SEC. 1899D. (a) IN GENERAL.—Notwithstanding
 13 any other provision of this title, in the case of items and
 14 services furnished on or after January 1, 2019, to an ap-
 15 plicable low-income individual, the amount of any coinsur-
 16 ance or copayment otherwise applicable to the item or
 17 service under part A or B shall be reduced by 50 percent.

18 “(b) APPLICABLE LOW-INCOME INDIVIDUAL DE-
 19 FINED.—

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

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

25 “(B) who is determined to have income
 26 that is greater than 135 percent and less than

1 or equal to 200 percent of the poverty line ap-
 2 plicable to a family of the size involved; and

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

9 “(2) INCOME DETERMINATIONS.—For purposes
 10 of applying this section—

11 “(A) income shall be determined in the
 12 manner described in section 1905(p)(1)(B),
 13 without regard to the application of section
 14 1902(r)(2); and

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

19 Nothing in subparagraph (A) shall be construed to
 20 affect the application of section 1902(r)(2) for the
 21 determination of eligibility for medical assistance
 22 under title XIX.

23 “(c) ESTABLISHMENT OF PROCEDURES FOR IDENTI-
 24 FICATION OF APPLICABLE LOW-INCOME INDIVIDUALS

1 AND NOTIFICATION OF PROVIDERS OF SERVICES AND
2 SUPPLIERS.—

3 “(1) IN GENERAL.—The Secretary, in consulta-
4 tion with the Commissioner of Social Security and
5 the Secretary of the Treasury, shall establish proce-
6 dures for—

7 “(A) the determination of whether an indi-
8 vidual is an applicable low-income individual;
9 and

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

17 “(2) DETERMINATIONS.—

18 “(A) IN GENERAL.—The provisions of sec-
19 tion 1860D–14(a)(3)(B)(i) shall apply to the
20 determination of whether an individual is an
21 applicable low-income individual under this sec-
22 tion in the same manner as such provisions
23 apply to the determination of whether a part D
24 eligible is a subsidy eligible individual under
25 section 1860D–14(a)(3)(B)(i).

1 “(B) EFFECTIVE PERIOD.—Determina-
 2 tions under this subsection shall be effective for
 3 a period determined appropriate by the Sec-
 4 retary.

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

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

15 (1) by striking “or subsidies” and inserting “,
 16 subsidies”; and

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

20 **SEC. 5. IMPROVING MEDICARE BENEFICIARY ENROLL-**
 21 **MENT PROCEDURES AND EFFECTIVE DATES**
 22 **OF COVERAGE.**

23 (a) GENERAL ENROLLMENT PERIOD.—Section
 24 1837(e) of the Social Security Act (42 U.S.C. 1395p(e))
 25 is amended to read as follows:

1 “(e) GENERAL AND SPECIAL ENROLLMENT PERI-
2 ODS.—

3 “(1) GENERAL ENROLLMENT.—

4 “(A) FOR COVERAGE DURING YEARS BE-
5 FORE 2020.—There shall be a general enroll-
6 ment period during the period beginning on
7 January 1 and ending on March 31 of each
8 year before 2020.

9 “(B) FOR COVERAGE DURING YEARS BE-
10 GINNING WITH 2020.—Subject to subparagraph
11 (B), there shall be a general enrollment period
12 beginning on October 15 and ending on Decem-
13 ber 31 of 2019 and each subsequent year.

14 “(2) SPECIAL ENROLLMENT.—Beginning Janu-
15 ary 1, 2020, the Secretary shall establish special en-
16 rollment periods in the case of individual who meets
17 such exceptional conditions as the Secretary may
18 provide.”.

19 (b) EFFECTIVE DATES OF COVERAGE.—

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

23 (A) by amending paragraph (2) to read as
24 follows:

1 “(2)(A) in the case of an individual who enrolls
2 pursuant to subsection (d) of section 1837 before
3 the month in which he first satisfies paragraph (1)
4 or (2) of section 1836, the first day of such month;
5 or

6 “(B) in the case of an individual not described
7 in subparagraph (A) who first satisfies such para-
8 graph in a month beginning before January 1, 2020
9 and who enrolls—

10 “(i) pursuant to such subsection (d) in
11 such month in which he first satisfies such
12 paragraph, the first day of the month following
13 the month in which he so enrolls; or

14 “(ii) pursuant to such subsection (d) in the
15 month following such month in which he first
16 satisfies such paragraph, the first day of the
17 second month following the month in which he
18 so enrolls; or

19 “(iii) pursuant to such subsection (d) more
20 than one month following such month in which
21 he satisfies such paragraph, the first day of the
22 third month following the month in which he so
23 enrolls; or

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

4 “(i) before April 1, 2019, the July 1 fol-
 5 lowing the month in which he so enrolls; or

6 “(ii) on or after October 1, 2019, the first
 7 day of the month following the month in which
 8 he so enrolls; or

9 “(D) in the case of an individual not described
 10 in subparagraph (A) who first satisfies such para-
 11 graph in a month beginning on or after January 1,
 12 2020, and who enrolls pursuant to such subsection
 13 (d) in such month in which he first satisfies such
 14 paragraph or in any subsequent month in the initial
 15 enrollment period, the first day of the month fol-
 16 lowing the month in which he so enrolls; or”; and

17 (B) in paragraph (3), by striking “sub-
 18 paragraphs (B), (C), (D), and (E) of paragraph
 19 (2) of this subsection” and inserting “subpara-
 20 graphs (B) and (C) of paragraph (2), as appli-
 21 cable”.

22 (2) TECHNICAL CORRECTION.—Section 1839(b)
 23 of the Social Security Act (42 U.S.C. 1395r(b)) is
 24 amended, in the second sentence, by striking “close

1 of the enrollment period” each place it appears and
 2 inserting “close of the month”.

3 (c) APPLICATION OF THE PART A LATE ENROLL-
 4 MENT PENALTY TIME LIMITATION PROVISION TO THE
 5 PART B LATE ENROLLMENT PENALTY.—

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

14 (2) CONFORMING AMENDMENT TO THE PART A
 15 LATE ENROLLMENT PENALTY.—Section 1818(c)(6)
 16 of the Social Security Act (42 U.S.C. 1395i–2(c)(6))
 17 is amended by striking “and shall only apply to pre-
 18 miums paid during a period equal to twice the num-
 19 ber of months in the full 12-month periods described
 20 in that section”.

21 (3) EFFECTIVE DATE.—

22 (A) IN GENERAL.—The amendments made
 23 by this section shall take effect on the date of
 24 the enactment of this Act and shall apply to

1 premiums for months beginning on or after
2 January 1, 2020.

3 (B) COUNTING OF MONTHS.—In applying
4 the amendment made by paragraph (1), months
5 (occurring before, during, or after the month
6 that includes the date of the enactment of this
7 Act) in which an individual’s monthly premium
8 is increased under subsection (b) of section
9 1839 of the Social Security Act (42 U.S.C.
10 1395r) shall be taken into account in deter-
11 mining whether the limitation under the last
12 sentence of such subsection (b), as added by
13 paragraph (1), is applicable.

14 (d) APPLICATION OF PART B DEEMED ENROLLMENT
15 PROCESS TO RESIDENTS OF PUERTO RICO; SPECIAL EN-
16 ROLLMENT PERIOD AND LIMIT ON LATE ENROLLMENT
17 PENALTIES.—

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

23 (2) EFFECTIVE DATE.—The amendment made
24 by paragraph (1) shall apply to individuals whose
25 initial enrollment period under section 1837(d) of

the Social Security Act begins on or after the first day of the effective month, specified by the Secretary of Health and Human Services under section 1839(j)(1)(C) of such Act, as added by subsection (c)(2).

(3) TRANSITION PROVIDING SPECIAL ENROLLMENT PERIOD AND LIMIT ON LATE ENROLLMENT PENALTIES FOR CERTAIN MEDICARE BENEFICIARIES.—Section 1839 of the Social Security Act (42 U.S.C. 1395r) is amended—

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

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

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

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

“(A) IN GENERAL.—In the case of a transition individual (as defined in paragraph (3)) who is not enrolled under this part as of the day before the first day of the effective month

(as defined in subparagraph (C)), the Secretary shall provide for a special enrollment period under section 1837 of 7 months beginning with such effective month during which the individual may be enrolled under this part.

“(B) COVERAGE PERIOD.—In the case of such an individual who enrolls during such special enrollment period, the coverage period under section 1838 shall begin on the first day of the second month after the month in which the individual enrolls.

“(C) EFFECTIVE MONTH DEFINED.—In this section, the term ‘effective month’ means a month, not earlier than October 2019 and not later than January 2020, specified by the Secretary.

“(2) REDUCTION IN LATE ENROLLMENT PENALTIES FOR CURRENT ENROLLEES AND INDIVIDUALS ENROLLING DURING TRANSITION.—

“(A) IN GENERAL.—In the case of a transition individual who is enrolled under this part as of the day before the first day of the effective month or who enrolls under this part on or after the date of the enactment of this subsection but before the end of the special enroll-

ment period under paragraph (1)(A), the amount of the late enrollment penalty imposed under section 1839(b) shall be recalculated by reducing the penalty to 15 percent of the penalty otherwise established.

“(B) APPLICATION.—Subparagraph (A) shall be applied in the case of a transition individual who—

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

“(ii) enrolls under this part on or after the date of the enactment of this Act and before the end of the special enrollment period under paragraph (1)(A), for premiums for months during the coverage period under this part which occur during or after the effective month.

“(C) LOSS OF REDUCTION IF INDIVIDUAL TERMINATES ENROLLMENT.—Subparagraph (A) shall not apply to a transition individual if the individual terminates enrollment under this part after the end of the special enrollment period under paragraph (1).

1 “(3) TRANSITION INDIVIDUAL DEFINED.—In
2 this section, the term ‘transition individual’ means
3 an individual who resides in Puerto Rico and who
4 would have been deemed enrolled under this part
5 pursuant to section 1837(f) before the first day of
6 the effective month but for the fact that the indi-
7 vidual was a resident of Puerto Rico, regardless of
8 whether the individual is enrolled under this part as
9 of such first day.”.

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