

107TH CONGRESS
2^D SESSION

S. 2605

To amend title XVIII of the Social Security Act to geographically adjust the amount of the medicare part B premium based on the use of health care items and services in the State in which the medicare beneficiary resides, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 10, 2002

Mr. DASCHLE (for Mr. HARKIN (for himself and Mr. CRAIG)) 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 geographically adjust the amount of the medicare part B premium based on the use of health care items and services in the State in which the medicare beneficiary resides, 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.**

4 This Act may be cited as the “Medicare Premium
5 Fairness Act of 2002”.

1 **SEC. 2. GEOGRAPHIC ADJUSTMENT OF MEDICARE PART B**
2 **PREMIUMS.**

3 (a) IN GENERAL.—Section 1839 of the Social Secu-
4 rity Act (42 U.S.C. 1395r), as amended by section
5 606(a)(2)(B)(i) of the Medicare, Medicaid, and SCHIP
6 Benefits Improvement and Protection Act of 2000 (114
7 Stat. 2763A–557), as enacted into law by section 1(a)(6)
8 of Public Law 106–554, is amended—

9 (1) in subsection (a)(2), by striking “shall” and
10 all that follows and inserting the following: “shall
11 be—

12 “(A) the amount determined under para-
13 graph (3), adjusted as required in accordance
14 with subsections (b), (c), and (f), and, for each
15 month after December 2002, to reflect 80 per-
16 cent of any reduction elected under section
17 1854(f)(1)(E); and

18 “(B) for each month after December 2002,
19 multiplied by the geographic adjustment factor
20 established under subsection (h) applicable with
21 respect to the State in which the individual re-
22 sides for months in that year.”; and

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

25 “(h)(1) The Secretary, in consultation with the Medi-
26 care Payment Advisory Commission, shall establish a geo-

1 geographic adjustment factor for a year for each State based
2 on the most recent available data regarding the average
3 amount of expenditures under this part for the year for
4 a beneficiary enrolled under this part that resides in the
5 State during that year.

6 “(2) In establishing the geographic adjustment fac-
7 tors under paragraph (1), the Secretary shall ensure that
8 the total amount of monthly premiums for individuals in
9 all States after the application of such factors equals the
10 amount that would have been the total amount of monthly
11 premiums for individuals in all States if such factors did
12 not apply.”.

13 (b) PAYMENT OF PREMIUMS.—Section 1840 of the
14 Social Security Act (42 U.S.C. 1395s), as amended by sec-
15 tion 606(a)(2)(B)(ii) of the Medicare, Medicaid, and
16 SCHIP Benefits Improvement and Protection Act of 2000
17 (114 Stat. 2763A–557), as enacted into law by section
18 1(a)(6) of Public Law 106–554, is amended by adding at
19 the end the following new subsection:

20 “(j) For months beginning after December 2002, the
21 Secretary shall provide for necessary adjustments of the
22 monthly premium of each individual under this part to re-
23 flect the application of the geographic adjustment factors
24 established under section 1839(h). To the extent to which
25 the Secretary determines that such an adjustment is ap-

1 appropriate, with the concurrence of any agency responsible
2 for the administration of such benefits, such premium ad-
3 justment may be provided directly, as an adjustment to
4 any social security, railroad retirement, or civil service re-
5 tirement benefits, or, in the case of an individual who re-
6 ceives medical assistance under title XIX for medicare
7 costs described in section 1905(p)(3)(A)(ii), as an adjust-
8 ment to the amount otherwise owed by the State for such
9 medical assistance.”.

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