

108TH CONGRESS  
2D SESSION

# H. R. 4357

To amend title XVIII of the Social Security Act and the Employee Retirement Income Security Act of 1974 to provide access to Medicare benefits for individuals ages 55 to 65, to amend the Internal Revenue Code of 1986 to allow a refundable and advanceable credit against income tax for payment of such premiums, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 12, 2004

Mr. STARK (for himself, Mr. BROWN of Ohio, Mr. RANGEL, Mr. DINGELL, Mr. WAXMAN, Ms. PELOSI, Mr. GEORGE MILLER of California, Mr. PALLONE, Mr. ACKERMAN, Mr. ALEXANDER, Mr. ALLEN, Mr. BACA, Mr. BERRY, Mr. BISHOP of New York, Mr. BOUCHER, Mrs. CAPPS, Mr. CARDIN, Ms. CARSON of Indiana, Mr. CLAY, Mr. CROWLEY, Mrs. DAVIS of California, Ms. DELAURO, Mr. DELAHUNT, Mr. DEUTSCH, Mr. EMANUEL, Mr. ENGEL, Mr. EVANS, Mr. FARR, Mr. FILNER, Mr. FRANK of Massachusetts, Mr. FROST, Mr. GEPHARDT, Mr. GORDON, Mr. GREEN of Texas, Mr. GRIJALVA, Mr. GUTIERREZ, Mr. HINCHEY, Mr. HOEFFEL, Mr. HOLT, Mr. HOYER, Mr. JACKSON of Illinois, Mrs. JONES of Ohio, Ms. KAPTUR, Mr. KILDEE, Ms. KILPATRICK, Mr. KLECZKA, Mr. KUCINICH, Mr. LANTOS, Ms. JACKSON-LEE of Texas, Mr. LYNCH, Mrs. MALONEY, Mr. MARKEY, Mr. MATSUI, Mrs. MCCARTHY of New York, Ms. MCCARTHY of Missouri, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. McNULTY, Mr. MEEKS of New York, Mr. MENENDEZ, Mr. MICHAUD, Mr. NADLER, Mrs. NAPOLITANO, Mr. OLVER, Mr. OWENS, Mr. PASTOR, Mr. RODRIGUEZ, Ms. ROYBAL-ALLARD, Mr. SANDERS, Mr. SANDLIN, Ms. LINDA T. SÁNCHEZ of California, Ms. SCHAKOWSKY, Mr. SCOTT of Virginia, Mr. SERRANO, Ms. SLAUGHTER, Ms. SOLIS, Mr. STRICKLAND, Mr. STUPAK, Mr. THOMPSON of Mississippi, Mr. TIERNEY, Mr. TOWNS, Mr. VAN HOLLEN, Ms. WATERS, Mr. WEINER, Mr. WEXLER, and Ms. WOOLSEY) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce and Education and the Workforce, 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 title XVIII of the Social Security Act and the Employee Retirement Income Security Act of 1974 to provide access to Medicare benefits for individuals ages 55 to 65, to amend the Internal Revenue Code of 1986 to allow a refundable and advanceable credit against income tax for payment of such premiums, 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 Early Access Act of 2004”.

6       (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—ACCESS TO MEDICARE BENEFITS FOR INDIVIDUALS 55  
 TO 65 YEARS OF AGE

Sec. 101. Access to Medicare benefits for individuals 55 to 65 years of age.

“PART E—PURCHASE OF MEDICARE BENEFITS BY CERTAIN INDIVIDUALS 55  
 TO 65 YEARS OF AGE

“Sec. 1860E–1. Program benefits; eligibility.

“Sec. 1860E–2. Enrollment process; coverage.

“Sec. 1860E–3. Premiums.

“Sec. 1860E–4. Payment of premiums.

“Sec. 1860E–5. Provisions relating to employment-based retiree health cov-  
 erage.

“Sec. 1860E–6. Medicare Early Access Trust Fund.

“Sec. 1860E–7. Oversight and accountability.

“Sec. 1860E–8. Administration and miscellaneous.

TITLE II—REFUNDABLE AND ADVANCEABLE CREDIT AGAINST  
 INCOME TAX FOR MEDICARE BUY-IN PREMIUMS

Sec. 201. Refundable and advanceable income tax credit for Medicare buy-in  
 premiums.

“Sec. 36. Medicare buy-in premiums.

“Sec. 7528. Advance payment of credit for Medicare buy-in premiums.

1 **TITLE I—ACCESS TO MEDICARE**  
2 **BENEFITS FOR INDIVIDUALS**  
3 **55 TO 65 YEARS OF AGE**

4 **SEC. 101. ACCESS TO MEDICARE BENEFITS FOR INDIVID-**  
5 **UALS 55 TO 65 YEARS OF AGE.**

6 (a) IN GENERAL.—Title XVIII of the Social Security  
7 Act, as amended by section 101(a) of the Medicare Pre-  
8 scription Drug, Improvement, and Modernization Act of  
9 2003 (Public Law 108–173), is amended—

10 (1) by redesignating part E as part F; and

11 (2) by inserting after part D the following new  
12 part:

13 **“PART E—PURCHASE OF MEDICARE BENEFITS**  
14 **BY CERTAIN INDIVIDUALS 55 TO 65 YEARS OF**  
15 **AGE**

16 **“SEC. 1860E–1. PROGRAM BENEFITS; ELIGIBILITY.**

17 **“(a) ENTITLEMENT TO MEDICARE BENEFITS FOR**  
18 **ENROLLED INDIVIDUALS.—**

19 **“(1) IN GENERAL.—**An individual enrolled  
20 under this part is entitled to the same benefits  
21 under this title as an individual entitled to benefits  
22 or enrolled under any part of this title.

23 **“(2) DEFINITIONS.—**For purposes of this part:

24 **“(A) FEDERAL OR STATE COBRA CONTINU-**  
25 **ATION PROVISION.—**The term ‘Federal or State

1 COBRA continuation provision’ has the mean-  
2 ing given the term ‘COBRA continuation provi-  
3 sion’ in section 2791(d)(4) of the Public Health  
4 Service Act and includes a comparable State  
5 program, as determined by the Secretary.

6 “(B) FEDERAL HEALTH INSURANCE PRO-  
7 GRAM DEFINED.—The term ‘Federal health in-  
8 surance program’ means any of the following:

9 “(i) MEDICARE.—Any part of this  
10 title (other than by reason of this part).

11 “(ii) MEDICAID.—A State plan under  
12 title XIX.

13 “(iii) FEHBP.—The Federal employ-  
14 ees health benefit program under chapter  
15 89 of title 5, United States Code.

16 “(iv) TRICARE.—The TRICARE  
17 program (as defined in section 1072(7) of  
18 title 10, United States Code).

19 “(v) ACTIVE DUTY MILITARY.—Health  
20 benefits under title 10, United States  
21 Code, to an individual as a member of the  
22 uniformed services of the United States.

23 “(C) GROUP HEALTH PLAN.—The term  
24 ‘group health plan’ has the meaning given such

1 term in section 2791(a)(1) of the Public Health  
2 Service Act.

3 “(b) ELIGIBILITY OF INDIVIDUALS AGE 55 TO 65  
4 YEARS OF AGE.—

5 “(1) IN GENERAL.—Subject to paragraph (2),  
6 an individual who meets the following requirements  
7 with respect to a month is eligible to enroll under  
8 this part with respect to such month:

9 “(A) AGE.—As of the last day of the  
10 month, the individual has attained 55 years of  
11 age, but has not attained 65 years of age.

12 “(B) MEDICARE ELIGIBILITY (BUT FOR  
13 AGE).—The individual would be eligible for ben-  
14 efits under part A or part B for the month if  
15 the individual were 65 years of age.

16 “(C) NOT ELIGIBLE FOR COVERAGE  
17 UNDER GROUP HEALTH PLANS OR FEDERAL  
18 HEALTH INSURANCE PROGRAMS.—The indi-  
19 vidual is not eligible for benefits or coverage  
20 under a Federal health insurance program (as  
21 defined in subsection (a)(2)(B)) or under a  
22 group health plan (other than such eligibility  
23 merely through a Federal or State COBRA con-  
24 tinuation provision) as of the last day of the  
25 month involved.

1           “(2) LIMITATION ON ELIGIBILITY IF TERMI-  
2           NATED ENROLLMENT.—If an individual described in  
3           paragraph (1) enrolls under this part and coverage  
4           of the individual is terminated under section 1860E-  
5           2(d) (other than because of age), the individual is  
6           not again eligible to enroll under this subsection un-  
7           less the following requirements are met:

8                   “(A) NEW COVERAGE UNDER GROUP  
9                   HEALTH PLAN OR FEDERAL HEALTH INSUR-  
10                  ANCE PROGRAM.—After the date of termination  
11                  of coverage under such section, the individual  
12                  obtains coverage under a group health plan or  
13                  under a Federal health insurance program.

14                  “(B) SUBSEQUENT LOSS OF NEW COV-  
15                  ERAGE.—The individual subsequently loses eli-  
16                  gibility for the coverage described in subpara-  
17                  graph (A) without regard to whether the indi-  
18                  vidual has exhausted any eligibility the indi-  
19                  vidual may subsequently have for coverage  
20                  under a Federal or State COBRA continuation  
21                  provision.

22           “(3) CHANGE IN HEALTH PLAN ELIGIBILITY  
23           DOES NOT AFFECT COVERAGE.—In the case of an  
24           individual who is eligible for and enrolls under this  
25           part under this subsection, the individual’s continued

1 entitlement to benefits under this part shall not be  
2 affected by the individual's subsequent eligibility for  
3 benefits or coverage described in paragraph (1)(C),  
4 or entitlement to such benefits or coverage.

5 **“SEC. 1860E-2. ENROLLMENT PROCESS; COVERAGE.**

6 “(a) IN GENERAL.—An individual may enroll in the  
7 program established under this part only in such manner  
8 and form as may be prescribed by regulations, and only  
9 during an enrollment period prescribed by the Secretary  
10 consistent with the provisions of this section. Such regula-  
11 tions shall provide a process under which individuals eligi-  
12 ble to enroll as of a month are permitted to pre-enroll dur-  
13 ing a prior month within an enrollment period described  
14 in subsection (b).

15 “(b) ENROLLMENT PERIODS.—

16 “(1) INDIVIDUALS 55 TO 65 YEARS OF AGE.—In  
17 the case of individuals eligible to enroll under this  
18 part under section 1860E-1(b)—

19 “(A) INITIAL ENROLLMENT PERIOD.—If  
20 the individual is eligible to enroll under such  
21 section for January 2005, the enrollment period  
22 shall begin on November 1, 2004, and shall end  
23 on February 28, 2005. Any such enrollment be-  
24 fore January 1, 2005, is conditioned upon com-

1 compliance with the conditions of eligibility for Jan-  
2 uary 2005.

3 “(B) SUBSEQUENT PERIODS.—If the indi-  
4 vidual is eligible to enroll under such section for  
5 a month after January 2005, the enrollment pe-  
6 riod shall begin on the first day of the second  
7 month before the month in which the individual  
8 first is eligible to so enroll and shall end four  
9 months later. Any such enrollment before the  
10 first day of the third month of such enrollment  
11 period is conditioned upon compliance with the  
12 conditions of eligibility for such third month.

13 “(2) AUTHORITY TO CORRECT FOR GOVERN-  
14 MENT ERRORS.—The provisions of section 1837(h)  
15 apply with respect to enrollment under this part in  
16 the same manner as they apply to enrollment under  
17 part B.

18 “(c) DATE COVERAGE BEGINS.—

19 “(1) IN GENERAL.—The period during which  
20 an individual is entitled to benefits under this part  
21 shall begin as follows, but in no case earlier than  
22 January 1, 2005:

23 “(A) In the case of an individual who en-  
24 rolls (including pre-enrolls) before the month in  
25 which the individual satisfies eligibility for en-

1 rollment under section 1860E-1, the first day  
2 of such month of eligibility.

3 “(B) In the case of an individual who en-  
4 rolls during or after the month in which the in-  
5 dividual first satisfies eligibility for enrollment  
6 under such section, the first day of the fol-  
7 lowing month.

8 “(2) AUTHORITY TO PROVIDE FOR PARTIAL  
9 MONTHS OF COVERAGE.—Under regulations, the  
10 Secretary may, in the Secretary’s discretion, provide  
11 for coverage periods that include portions of a  
12 month in order to avoid lapses of coverage.

13 “(3) LIMITATION ON PAYMENTS.—No payments  
14 may be made under this title with respect to the ex-  
15 penses of an individual enrolled under this part un-  
16 less such expenses were incurred by such individual  
17 during a period which, with respect to the individual,  
18 is a coverage period under this section.

19 “(d) TERMINATION OF COVERAGE.—

20 “(1) IN GENERAL.—An individual’s coverage  
21 period under this part shall continue until the indi-  
22 vidual’s enrollment has been terminated at the ear-  
23 liest of the following:

24 “(A) GENERAL PROVISIONS.—

1           “(i) NOTICE.—The individual files no-  
2           tice (in a form and manner prescribed by  
3           the Secretary) that the individual no  
4           longer wishes to participate in the insur-  
5           ance program under this part.

6           “(ii) NONPAYMENT OF PREMIUMS.—  
7           The individual fails to make payment of  
8           premiums required for enrollment under  
9           this part.

10           “(iii) MEDICARE ELIGIBILITY.—The  
11           individual becomes entitled to benefits or  
12           enrolled under any other part of this title  
13           (other than by reason of this part).

14           “(B) TERMINATION BASED ON AGE.—The  
15           individual attains 65 years of age.

16           “(2) EFFECTIVE DATE OF TERMINATION.—

17           “(A) NOTICE.—The termination of a cov-  
18           erage period under paragraph (1)(A)(i) shall  
19           take effect at the close of the month following  
20           for which the notice is filed.

21           “(B) NONPAYMENT OF PREMIUM.—The  
22           termination of a coverage period under para-  
23           graph (1)(A)(ii) shall take effect on a date de-  
24           termined under regulations, which may be de-  
25           termined so as to provide a grace period in

1           which overdue premiums may be paid and cov-  
2           erage continued. The grace period determined  
3           under the preceding sentence shall not exceed  
4           60 days; except that it may be extended for an  
5           additional 30 days in any case where the Sec-  
6           retary determines that there was good cause for  
7           failure to pay the overdue premiums within  
8           such 60-day period.

9           “(C) AGE OR MEDICARE ELIGIBILITY.—  
10          The termination of a coverage period under  
11          paragraph (1)(A)(iii) or (1)(B) shall take effect  
12          as of the first day of the month in which the  
13          individual attains 65 years of age or becomes  
14          entitled to benefits or enrolled in any other part  
15          of this title (other than by reason of this part).

16 **“SEC. 1860E-3. PREMIUMS.**

17          “(a) AMOUNT OF MONTHLY PREMIUMS.—The Sec-  
18          retary shall, during September of each year (beginning  
19          with 2004), determine a monthly premium for individuals  
20          55 years of age or older, equal to  $\frac{1}{12}$  of the annual pre-  
21          mium computed under subsection (b)(2), which shall apply  
22          with respect to coverage provided under this title for any  
23          month in the succeeding year.

24          “(b) ANNUAL PREMIUM.—

1           “(1) NATIONAL, PER CAPITA AVERAGE.—The  
2 Secretary shall estimate the average, annual per  
3 capita amount that would be payable under this title  
4 with respect to individuals residing in the United  
5 States who meet the requirement of section 1860E–  
6 1(b)(1)(A) as if all such individuals were eligible for  
7 (and enrolled) under this title during the entire year  
8 (and assuming that section 1862(b)(2)(A)(i) did not  
9 apply).

10           “(2) ANNUAL PREMIUM.—The annual premium  
11 under this subsection for months in a year is equal  
12 to the average, annual per capita amount estimated  
13 under paragraph (1) for the year.

14 **“SEC. 1860E–4. PAYMENT OF PREMIUMS.**

15           “(a) PAYMENT OF MONTHLY PREMIUM.—

16           “(1) IN GENERAL.—The Secretary shall provide  
17 for payment and collection of the monthly premium,  
18 determined under section 1860E–3(a) for the age of  
19 the individual involved, in the same manner as for  
20 payment of monthly premiums under section 1840,  
21 except that, for purposes of applying this section,  
22 any reference in such section to the Federal Supple-  
23 mentary Medical Insurance Trust Fund is deemed a  
24 reference to the Trust Fund established under sec-  
25 tion 1860E–6.

1           “(2) PERIOD OF PAYMENT.—In the case of an  
2 individual who participates in the program estab-  
3 lished by this title, the monthly premium shall be  
4 payable for the period commencing with the first  
5 month of the individual’s coverage period and ending  
6 with the month in which the individual’s coverage  
7 under this title terminates.

8           “(b) APPLICATION OF CERTAIN PROVISIONS.—The  
9 provisions of section 1840 (other than subsection (h))  
10 shall apply to premiums collected under this section in the  
11 same manner as they apply to premiums collected under  
12 part B, except that any reference in such section to the  
13 Federal Supplementary Medical Insurance Trust Fund is  
14 deemed a reference to the Trust Fund established under  
15 section 1860E–6.

16 **“SEC. 1860E–5. PROVISIONS RELATING TO EMPLOYMENT-**  
17 **BASED RETIREE HEALTH COVERAGE.**

18           “(a) IN GENERAL.—In the case of an individual who  
19 would be eligible to enroll under this part but for the pro-  
20 vision of employment-based retiree health coverage by an  
21 employer to the individual, notwithstanding the limitation  
22 under section 1860E–1(b)(1)(C), the individual is eligible  
23 to enroll under this part.

24           “(b) MAINTENANCE OF EFFORT.—In the case of an  
25 employer that offers employment-based retiree health cov-

1 erage to an individual who enrolls under this part, upon  
2 enrollment of the individual under this part, the employer  
3 may modify such coverage to provide for the following ben-  
4 efits:

5           “(1) Payment is made by the employer under  
6 such coverage for items and services for which pay-  
7 ment may not be made under this title.

8           “(2) Payment is made by the employer spon-  
9 soring such coverage of 25 percent of the monthly  
10 premium under section 1860E-3 applicable to the  
11 individual after enrollment under this part.

12           “(c) **EMPLOYMENT-BASED RETIREE HEALTH COV-**  
13 **ERAGE.**—The term ‘employment-based retiree health cov-  
14 erage’ has the meaning given that term in section 1860D-  
15 22(c)(1), except that, for purposes of this part, any ref-  
16 erence in such section to ‘part D’ is deemed to be a ref-  
17 erence to ‘part E’.

18           **“SEC. 1860E-6. MEDICARE EARLY ACCESS TRUST FUND.**

19           “(a) **ESTABLISHMENT OF TRUST FUND.**—

20           “(1) **IN GENERAL.**—There is hereby created on  
21 the books of the Treasury of the United States a  
22 trust fund to be known as the ‘Medicare Early Ac-  
23 cess Trust Fund’ (in this section referred to as the  
24 ‘Trust Fund’). The Trust Fund shall consist of such  
25 gifts and bequests as may be made as provided in

1 section 201(i)(1) and such amounts as may be de-  
2 posited in, or appropriated to, such fund as provided  
3 in this title.

4 “(2) PREMIUMS.—Premiums collected under  
5 section 1860E–3 and payable under section 1860E–  
6 5(a)(2) shall be transferred to the Trust Fund.

7 “(b) INCORPORATION OF PROVISIONS.—

8 “(1) IN GENERAL.—Subject to paragraph (2),  
9 subsections (b) through (i) of section 1841 shall  
10 apply with respect to the Trust Fund and this title  
11 in the same manner as they apply with respect to  
12 the Federal Supplementary Medical Insurance Trust  
13 Fund and part B, respectively.

14 “(2) MISCELLANEOUS REFERENCES.—In apply-  
15 ing provisions of section 1841 under paragraph  
16 (1)—

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

19 “(B) any reference in section 1841(h) to  
20 section 1840(d) and in section 1841(i) to sec-  
21 tions 1840(b)(1) and 1842(g) are deemed ref-  
22 erences to comparable authority exercised under  
23 this part; and

24 “(C) payments may be made under section  
25 1841(g) to the Trust Funds under sections

1           1817 and 1841 as reimbursement to such funds  
2           for payments they made for benefits provided  
3           under this part.

4 **“SEC. 1860E-7. OVERSIGHT AND ACCOUNTABILITY.**

5           “(a) THROUGH ANNUAL REPORTS OF TRUSTEES.—  
6 The Board of Trustees of the Medicare Early Access  
7 Trust Fund under section 1860E-6(b)(1) shall report on  
8 an annual basis to Congress concerning the status of the  
9 Trust Fund and the need for adjustments in the program  
10 under this part to maintain financial solvency of the pro-  
11 gram under this part.

12           “(b) PERIODIC GAO REPORTS.—The Comptroller  
13 General of the United States shall periodically submit to  
14 Congress reports on the adequacy of the financing of cov-  
15 erage provided under this part. The Comptroller General  
16 shall include in such report such recommendations for ad-  
17 justments in such financing and coverage as the Comp-  
18 troller General deems appropriate in order to maintain fi-  
19 nancial solvency of the program under this part.

20 **“SEC. 1860E-8. ADMINISTRATION AND MISCELLANEOUS.**

21           “(a) TREATMENT FOR PURPOSES OF TITLE.—Ex-  
22 cept as otherwise provided in this part—

23                   “(1) individuals enrolled under this part shall  
24           be treated for purposes of this title as though the in-

1       dividual were entitled to benefits and enrolled under  
2       any part of this title; and

3               “(2) benefits described in section 1860E-1  
4       shall be payable under this title to such individuals  
5       in the same manner as if such individuals were so  
6       entitled and enrolled.

7       “(b) NOT TREATED AS MEDICARE PROGRAM FOR  
8       PURPOSES OF MEDICAID PROGRAM.—For purposes of ap-  
9       plying title XIX (including the provision of medicare cost-  
10      sharing assistance under such title), an individual who is  
11      enrolled under this part shall not be treated as being enti-  
12      tled to benefits under this title.

13      “(c) NOT TREATED AS MEDICARE PROGRAM FOR  
14      PURPOSES OF COBRA CONTINUATION PROVISIONS.—In  
15      applying a COBRA continuation provision (as defined in  
16      section 2791(d)(4) of the Public Health Service Act), any  
17      reference to an entitlement to benefits under this title  
18      shall not be construed to include entitlement to benefits  
19      under this title pursuant to the operation of this part.”.

20      (b) CONFORMING AMENDMENTS TO SOCIAL SECUR-  
21      ITY ACT PROVISIONS.—(1) Section 201(i)(1) of the So-  
22      cial Security Act (42 U.S.C. 401(i)(1)) is amended by  
23      striking “or the Federal Supplementary Medical Insur-  
24      ance Trust Fund” and inserting “the Federal Supple-

1 mentary Medical Insurance Trust Fund, and the Medicare  
2 Early Access Trust Fund”.

3 (2) Section 201(g)(1)(A) of such Act (42 U.S.C.  
4 401(g)(1)(A)) is amended by striking “and the Federal  
5 Supplementary Medical Insurance Trust Fund established  
6 by title XVIII” and inserting “, the Federal Supple-  
7 mentary Medical Insurance Trust Fund, and the Medicare  
8 Early Access Trust Fund established by title XVIII”.

9 (3) Section 1820(i) of such Act (42 U.S.C. 1395i-  
10 4(i)) is amended by striking “part D” and inserting “part  
11 F”.

12 (4) Section 1853 of such Act (42 U.S.C. 1395w-23),  
13 as amended by section 222(d) of the Medicare Prescrip-  
14 tion Drug, Improvement, and Modernization Act of 2003  
15 (Public Law 108-173), is amended by adding at the end  
16 the following new subsection:

17 “(k) ADJUSTMENT FOR EARLY ACCESS.—In apply-  
18 ing this section with respect to individuals entitled to bene-  
19 fits under part E, the Secretary shall provide for an appro-  
20 priate adjustment in, for 2005, the Medicare+Choice capi-  
21 tation rate, and for years beginning with 2006, the pay-  
22 ment amount determined under this section or section  
23 1858, as may be appropriate to reflect differences between  
24 the population served under such part and the population  
25 under parts A and B.”.

1       (5) Section 1860D–15(c)(1) of such Act, as added  
2 by section 101(a) of the Medicare Prescription Drug, Im-  
3 provement, and Modernization Act of 2003 (Public Law  
4 108–173), is amended by adding at the end the following  
5 new subparagraph:

6               “(E) ADJUSTMENT FOR EARLY ACCESS.—  
7               In applying this section with respect to individ-  
8 uals entitled to benefits under part E, the Sec-  
9 retary shall provide for an appropriate adjust-  
10 ment in the payment amount determined under  
11 this section as may be appropriate to reflect dif-  
12 ferences between the population served under  
13 such part and the population under parts A and  
14 B.”.

15       (c) OTHER CONFORMING AMENDMENTS.—(1) Sec-  
16 tion 602(2)(D)(ii) of the Employee Retirement Income Se-  
17 curity Act of 1974 (29 U.S.C. 1162(2)) is amended by  
18 inserting “(not including an individual who is so entitled  
19 pursuant to enrollment under section 1860E–1)” after  
20 “Social Security Act”.

21       (2) Section 2202(2)(D)(ii) of the Public Health Serv-  
22 ice Act (42 U.S.C. 300bb–2(2)(D)(ii)) is amended by in-  
23 serting “(not including an individual who is so entitled  
24 pursuant to enrollment under section 1860E–1)” after  
25 “Social Security Act”.

1       (3) Section 4980B(f)(2)(B)(i)(V) of the Internal Rev-  
 2 enue Code of 1986 is amended by inserting “(not includ-  
 3 ing an individual who is so entitled pursuant to enrollment  
 4 under section 1860E-1)” after “Social Security Act”.

5 **TITLE II—REFUNDABLE AND**  
 6 **ADVANCEABLE CREDIT**  
 7 **AGAINST INCOME TAX FOR**  
 8 **MEDICARE BUY-IN PREMIUMS**

9 **SEC. 201. REFUNDABLE AND ADVANCEABLE INCOME TAX**  
 10 **CREDIT FOR MEDICARE BUY-IN PREMIUMS.**

11       (a) IN GENERAL.—Subpart C of part IV of sub-  
 12 chapter A of chapter 1 of the Internal Revenue Code of  
 13 1986 (relating to refundable personal credits) is amended  
 14 by redesignating section 36 as section 37 and by inserting  
 15 after section 35 the following new section:

16 **“SEC. 36. MEDICARE BUY-IN PREMIUMS.**

17       “(a) IN GENERAL.—In the case of an individual,  
 18 there shall be allowed as a credit against the tax imposed  
 19 by this chapter for the taxable year an amount equal to  
 20 75 percent of the amount paid during such year as medi-  
 21 care buy-in coverage premiums.

22       “(b) DEFINITIONS.—For purposes of this section the  
 23 term ‘medicare buy-in coverage premiums’ means pre-  
 24 miums paid under part E of title XVIII of the Social Secu-  
 25 rity Act.

1       “(c) COORDINATION WITH ADVANCE PAYMENT.—  
2 With respect to any taxable year, the amount which would  
3 (but for this subsection) be allowed as a credit under sub-  
4 section (a) shall be reduced (but not below zero) by the  
5 aggregate amount paid on behalf of such taxpayer under  
6 section 7528 for such taxable year.”.

7       (b) ADVANCE PAYMENT OF CREDIT.—Chapter 77 of  
8 such Code (relating to miscellaneous provisions) is amend-  
9 ed by adding at the end the following new section:

10       **“SEC. 7528. ADVANCE PAYMENT OF CREDIT FOR MEDICARE**  
11                               **BUY-IN PREMIUMS.**

12       “(a) GENERAL RULE.—The Secretary shall establish  
13 a program for making payments on behalf of individuals  
14 enrolled under part E of title XVIII of the Social Security  
15 Act to the Secretary of Health and Human Services for  
16 premiums payable by such individuals under such part.

17       “(b) LIMITATION ON ADVANCE PAYMENTS DURING  
18 ANY TAXABLE YEAR.—The Secretary may make pay-  
19 ments under subsection (a) only to the extent that the  
20 total amount of such payments made on behalf of any indi-  
21 vidual during the taxable year does not exceed the amount  
22 allowable as a credit to such individual for such year under  
23 section 36 (determined without regard to subsection (c)  
24 thereof).”.

25       (c) CONFORMING AMENDMENTS.—

1           (1) Paragraph (2) of section 1324(b) of title  
2           31, United States Code, is amended by inserting “or  
3           36” after “section 35”.

4           (2) The table of sections for subpart C of part  
5           IV of subchapter A of chapter 1 of the Internal Rev-  
6           enue Code of 1986 is amended by striking the item  
7           relating to section 36 and inserting the following  
8           new items:

          “36. Medicare buy-in premiums.  
          “37. Overpayments of tax.”.

9           (3) The table of sections for chapter 77 of such  
10          Code is amended by adding at the end the following  
11          new item:

          “7528. Advance payment of credit for medicare buy-in premiums.”.

12          (d) **EFFECTIVE DATE.**—The amendments made by  
13          this section shall apply to taxable years beginning after  
14          December 31, 2004.

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