

108TH CONGRESS
2D SESSION

H. R. 4910

To amend the Social Security Act to protect Social Security cost-of-living adjustments (COLA).

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2004

Ms. HERSETH (for herself, Ms. PELOSI, Mr. STARK, Mr. MATSUI, Mr. RANGEL, Mr. MARKEY, Mr. LAMPSON, Mr. LANTOS, Mr. COSTELLO, Mr. RYAN of Ohio, Mr. CHANDLER, Mr. SANDLIN, Mrs. CHRISTENSEN, Mrs. CAPPS, Mr. MCNULTY, Mr. WAXMAN, Mr. SERRANO, Mr. GEORGE MILLER of California, Mr. DAVIS of Illinois, Mr. NEAL of Massachusetts, Mrs. MCCARTHY of New York, Mr. DOGGETT, Mr. MICHAUD, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. McDERMOTT, Mr. BECERRA, Mr. RODRIGUEZ, Mr. KILDEE, Mr. LEWIS of Georgia, Mr. BROWN of Ohio, Mr. COOPER, Mrs. TAUSCHER, Mr. BERMAN, Mr. BOSWELL, Ms. MCCOLLUM, Mr. ALLEN, Mr. DEFAZIO, Mr. SANDERS, Mr. FILNER, Mr. GONZALEZ, Mr. MCGOVERN, Mrs. JONES of Ohio, Mr. JEFFERSON, Mr. CLAY, Mr. WEINER, Mr. NADLER, Ms. BERKLEY, Mr. ETHERIDGE, Ms. MILLENDER-McDONALD, Mr. STRICKLAND, Mr. CROWLEY, Mr. DAVIS of Alabama, Ms. SOLIS, Mr. FARR, Mr. HINCHEY, Mr. GREEN of Texas, Mr. OLVER, Mr. KLECZKA, Mr. JOHN, Mr. TOWNS, Mr. ROSS, Mr. EDWARDS, Mr. DAVIS of Tennessee, Mr. MARSHALL, Mr. BISHOP of New York, Mrs. DAVIS of California, Mr. LUCAS of Kentucky, Ms. LORETTA SANCHEZ of California, Mr. SCOTT of Virginia, Ms. WATSON, Mr. CAPUANO, Mr. FROST, Mr. OBEY, Ms. SCHAKOWSKY, Mr. BERRY, Mr. BISHOP of Georgia, Mr. RUPPERSBERGER, Mr. DAVIS of Florida, Mr. CUMMINGS, and Ms. JACKSON-LEE of Texas) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Social Security Act to protect Social Security cost-of-living adjustments (COLA).

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 “Social Security COLA
5 Protection Act of 2004”.

6 **SEC. 2. PROTECTION OF SOCIAL SECURITY COLA IN-**
7 **CREASES AGAINST EXCESSIVE MEDICARE**
8 **PREMIUM INCREASES.**

9 (a) APPLICATION TO PART B PREMIUMS.—Section
10 1839(f) of the Social Security Act (42 U.S.C. 1395r(f))
11 is amended—

12 (1) by striking “(f) For any calendar year after
13 1988” and inserting “(f)(1) For any calendar year
14 after 1988 and before 2005”; and

15 (2) by adding at the end the following new
16 paragraph:

17 “(2) For any calendar year (beginning with 2005),
18 if an individual is entitled to monthly benefits under sec-
19 tion 202 or 223 or to a monthly annuity under section
20 3(a), 4(a), or 4(f) of the Railroad Retirement Act of 1974
21 for November and December of the preceding year, if the
22 monthly premium of the individual under this section for

1 December of the preceding year and for January of the
2 year involved is deducted from those benefits under section
3 1840(a)(1) or section 1840(b)(1), and if the amount of
4 the individual's premium is not adjusted for January of
5 the year involved under subsection (i), the monthly pre-
6 mium otherwise determined under this section for the indi-
7 vidual for that year shall not be increased pursuant to sub-
8 section (a)(3) to an amount that exceeds 25 percent of
9 the amount of the increase in such monthly benefits for
10 that individual attributable to section 215(i).”.

11 (b) APPLICATION TO PART D PREMIUMS.—

12 (1) IN GENERAL.—Section 1860D–13(a)(1) of
13 such Act (42 U.S.C. 1395ww–113(a)(1)) is amend-
14 ed—

15 (A) in subparagraph (F), by striking “(D)
16 and (E),” and inserting “(D), (E), and (F),”;

17 (B) by redesignating subparagraph (F) as
18 subparagraph (G); and

19 (C) by inserting after subparagraph (E)
20 the following new subparagraph:

21 “(F) PROTECTION OF SOCIAL SECURITY
22 COLA INCREASE.—For any calendar year, if an
23 individual is entitled to monthly benefits under
24 section 202 or 223 or to a monthly annuity
25 under section 3(a), 4(a), or 4(f) of the Railroad

1 Retirement Act of 1974 for November and De-
2 cember of the preceding year and was enrolled
3 under a PDP plan or MA–PD plan for such
4 months, the base beneficiary premium otherwise
5 applied under this paragraph for the individual
6 for months in that year shall be decreased by
7 the amount (if any) by which the sum of the
8 amounts described in the following clauses (i)
9 and (ii) exceeds 25 percent of the amount of
10 the increase in such monthly benefits for that
11 individual attributable to section 215(i):

12 “(i) PART D PREMIUM INCREASE FAC-
13 TOR.—

14 “(I) IN GENERAL.—Except as
15 provided in this clause, the amount of
16 the increase (if any) in the adjusted
17 national average monthly bid amount
18 (as determined under subparagraph
19 (B)(iii)) for a month in the year over
20 such amount for a month in the pre-
21 ceding year.

22 “(II) NO APPLICATION TO FULL
23 PREMIUM SUBSIDY INDIVIDUALS.—In
24 the case of an individual enrolled for

1 a premium subsidy under section
2 1860D–14(a)(1), zero.

3 “(III) SPECIAL RULE FOR PAR-
4 TIAL PREMIUM SUBSIDY INDIVID-
5 UALS.—In the case of an individual
6 enrolled for a premium subsidy under
7 section 1860D–14(a)(2), a percent of
8 the increase described in subclause (I)
9 equal to 100 percent minus the per-
10 cent applied based on the linear scale
11 under such section.

12 “(ii) PART B PREMIUM INCREASE
13 FACTOR.—If the individual is enrolled for
14 such months under part B—

15 “(I) IN GENERAL.—Except as
16 provided in subclause (II), the amount
17 of the annual increase in premium ef-
18 fective for such year resulting from
19 the application of section 1839(a)(3),
20 as reduced (if any) under section
21 1839(f)(2).

22 “(II) NO APPLICATION TO INDI-
23 VIDUALS PARTICIPATING IN MEDICARE
24 SAVINGS PROGRAM.—In the case of an
25 individual who is enrolled for medical

1 assistance under title XIX for medi-
2 care cost-sharing described in section
3 1905(p)(3)(A)(ii), zero.”.

4 (2) APPLICATION UNDER MEDICARE ADVAN-
5 TAGE PROGRAM.—Section 1854(b)(2)(B) of such Act
6 (42 U.S.C. 1395w–24(b)(2)(B)), as in effect as of
7 January 1, 2006, relating to MA monthly prescrip-
8 tion drug beneficiary premium, is amended by in-
9 serting after “as adjusted under section 1860D–
10 13(a)(1)(B)” the following: “and section 1860D–
11 13(a)(1)(F)”.

12 (3) PAYMENT FROM MEDICARE PRESCRIPTION
13 DRUG ACCOUNT.—Section 1860D–16(b) of such Act
14 (42 U.S.C. 1395w–116(b)) is amended—

15 (A) in paragraph (1)—

16 (i) by striking “and” at the end of
17 subparagraph (C);

18 (ii) by striking the period at the end
19 of subparagraph (D) and inserting “;
20 and”; and

21 (iii) by adding at the end the fol-
22 lowing new subparagraph:

23 “(E) payment under paragraph (5) of pre-
24 mium reductions effected under section 1860D–
25 13(a)(1)(F).”; and

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

3 “(5) PAYMENT FOR COLA PROTECTION PRE-
4 MIUM REDUCTIONS.—

5 “(A) IN GENERAL.—In addition to pay-
6 ments provided under section 1860D–15 to a
7 PDP sponsor or an MA organization, in the
8 case of each part D eligible individual who is
9 enrolled in a prescription drug plan offered by
10 such sponsor or an MA–PD plan offered by
11 such organization and who has a premium re-
12 duced under section 1860D–13(a)(1)(F), the
13 Secretary shall provide for payment to such
14 sponsor or organization of an amount equiva-
15 lent to the amount of such premium reduction.

16 “(B) APPLICATION OF PROVISIONS.—The
17 provisions of subsections (d) and (f) of section
18 1860D–15 (relating to payment methods and
19 disclosure of information) shall apply to pay-
20 ment under subparagraph (A) in the same man-
21 ner as they apply to payments under such sec-
22 tion.”.

23 (c) DISREGARD OF PREMIUM REDUCTIONS IN DE-
24 TERMINING DEDICATED REVENUES UNDER MMA COST
25 CONTAINMENT.—Section 801(c)(3)(D) of the Medicare

1 Prescription Drug, Improvement, and Modernization Act
2 of 2003 (Public Law 108–173) is amended by adding at
3 the end the following: “Such premiums shall also be deter-
4 mined without regard to any reductions effected under
5 section 1839(f)(2) or 1860D–13(a)(1)(F) of such title.”.

6 (d) EFFECTIVE DATES.—

7 (1) PART B PREMIUM.—The amendments made
8 by subsection (a) apply to premiums for months be-
9 ginning with January 2005.

10 (2) PART D PREMIUM.—The amendments made
11 by subsection (b) apply to premiums for months be-
12 ginning with January 2007.

13 (3) MMA PROVISION.—The amendment made
14 by subsection (c) shall take effect on the date of the
15 enactment of this Act.

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