

109TH CONGRESS
2^D SESSION

H. R. 5969

To amend part D of title XVIII of the Social Security Act to assist low-income individuals in obtaining subsidized prescription drug coverage under the Medicare prescription drug program by expediting the application and qualification process, by increasing the maximum permissible resource level for eligibility for such subsidies, and by waiving any late enrollment penalty for the first 24 uncovered months.

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2006

Mr. DOGGETT (for himself, Mr. RANGEL, Mr. STARK, Mr. HOYER, Mr. CLYBURN, Mr. LARSON of Connecticut, Mr. MCDERMOTT, Mr. LEWIS of Georgia, Mr. NEAL of Massachusetts, Mr. McNULTY, Mr. BECERRA, Mrs. JONES of Ohio, Mr. EMANUEL, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. ALLEN, Mr. ANDREWS, Mr. BACA, Ms. BALDWIN, Mr. BERMAN, Mr. BERRY, Mr. BISHOP of Georgia, Mr. BISHOP of New York, Ms. CORRINE BROWN of Florida, Mr. BROWN of Ohio, Mr. BUTTERFIELD, Mrs. CAPPS, Mr. CAPUANO, Mr. CARDOZA, Ms. CARSON, Mrs. CHRISTENSEN, Mr. CLAY, Mr. CLEAVER, Mr. CONYERS, Mr. COSTELLO, Mr. CROWLEY, Mr. CUELLAR, Mr. CUMMINGS, Mr. DAVIS of Alabama, Mr. DAVIS of Illinois, Ms. DEGETTE, Mr. DELAHUNT, Ms. DELAURO, Mr. DICKS, Mr. DOYLE, Mr. EDWARDS, Mr. ENGEL, Mr. FARR, Mr. FATTAH, Mr. FILNER, Mr. FRANK of Massachusetts, Mr. GONZALEZ, Mr. GORDON, Mr. AL GREEN of Texas, Mr. GENE GREEN of Texas, Mr. GRIJALVA, Mr. GUTIERREZ, Ms. HARMAN, Mr. HASTINGS of Florida, Mr. HIGGINS, Mr. HINCHEY, Mr. HINOJOSA, Mr. HONDA, Mr. INSLEE, Mr. ISRAEL, Mr. JACKSON of Illinois, Ms. JACKSON-LEE of Texas, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. KAPTUR, Mr. KENNEDY of Rhode Island, Mr. KILDEE, Ms. KILPATRICK of Michigan, Mr. KUCINICH, Mr. LANGEVIN, Ms. LEE, Mrs. LOWEY, Mrs. MALONEY, Ms. MATSUI, Ms. MCCOLLUM of Minnesota, Mr. MCGOVERN, Ms. MCKINNEY, Mr. MEEHAN, Mr. MEEK of Florida, Mr. MEEKS of New York, Ms. MILLENDER-MCDONALD, Mr. MILLER of North Carolina, Mr. GEORGE MILLER of California, Mr. MOLLOHAN, Ms. MOORE of Wisconsin, Mr. MORAN of Virginia, Mr. NADLER, Mrs. NAPOLITANO, Ms. NORTON, Mr. OBERSTAR, Mr. OLVER, Mr. ORTIZ, Mr. OWENS, Mr. PALLONE, Mr. PASCARELL, Mr. PASTOR, Mr. PAYNE, Mr. PRICE of North Carolina, Mr. REYES, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. RYAN of Ohio, Ms. LINDA T. SÁNCHEZ of California, Ms. LORETTA SANCHEZ of California, Mr. SANDERS, Ms. SCHAKOWSKY, Ms. SCHWARTZ

1 “(e) EXPEDITED APPLICATION AND ELIGIBILITY
2 PROCESS.—

3 “(1) EXPEDITED PROCESS.—

4 “(A) IN GENERAL.—The Secretary shall
5 provide for an expedited process under this sub-
6 section for the qualification for low-income as-
7 sistance under this section through a request by
8 the Secretary to the Secretary of the Treasury
9 as provided in subparagraphs (B) and (C) for
10 information sufficient to identify whether the
11 individual involved is likely eligible for subsidies
12 under this section based on such information
13 and the amount of premium and cost-sharing
14 subsidies for which they would qualify based on
15 such information. Such process shall be con-
16 ducted in cooperation with the Commissioner of
17 Social Security.

18 “(B) OPT IN FOR NEWLY ELIGIBLE INDI-
19 VIDUALS.—Not later than 60 days after the
20 date of the enactment of this subsection, the
21 Secretary shall ensure that, as part of the
22 Medicare enrollment process, enrolling individ-
23 uals—

1 “(i) receive information describing the
2 low-income subsidy provided under this
3 section; and

4 “(ii) are provided the opportunity to
5 opt-in to the expedited process described in
6 this subsection by giving consent for the
7 Secretary to screen the beneficiary for eli-
8 gibility for such subsidy through a request
9 to the Secretary of the Treasury under sec-
10 tion 6103(l)(7) of the Internal Revenue
11 Code of 1986.

12 “(C) TRANSITION FOR CURRENTLY ELIGI-
13 BLE INDIVIDUALS.—In the case of any part D
14 eligible individual to which subparagraph (B)
15 did not apply at the time of such individual’s
16 enrollment, the Secretary shall, as soon as prac-
17 ticable after implementation of subparagraph
18 (B), request in writing that the Secretary of the
19 Treasury disclose, pursuant to section
20 6103(l)(21) of the Internal Revenue Code of
21 1986, whether such individual has either filed
22 no income tax return or whether such individ-
23 ual’s income tax return indicates likely eligi-
24 bility for the low-income subsidy provided under
25 this section.

1 “(2) NOTIFICATION OF POTENTIALLY ELIGIBLE
2 INDIVIDUALS.—Under such process, in the case of
3 each individual identified under paragraph (1) who
4 has not otherwise applied for, or been determined el-
5 ible for, benefits under this section (or who has ap-
6 plied for and been determined ineligible for such
7 benefits based only on excess resources), the Sec-
8 retary shall send them a letter (using basic, uncom-
9 plicated language) containing the following:

10 “(A) ELIGIBILITY.—A statement that,
11 based on the information obtained under para-
12 graph (1), the individual is likely eligible for
13 low-income subsidies under this section.

14 “(B) AMOUNT OF SUBSIDIES.—A descrip-
15 tion of the amount of premium and cost-sharing
16 subsidies under this section for which the indi-
17 vidual would likely be eligible based on such in-
18 formation.

19 “(C) ENROLLMENT OPPORTUNITY.—In
20 case the individual is not enrolled in a prescrip-
21 tion drug plan or MA–PD plan—

22 “(i) a statement that—

23 “(I) the individual has the oppor-
24 tunity to enroll in a prescription drug
25 plan or MA–PD plan for benefits

1 under this part, but is not required to
2 be so enrolled; and

3 “(II) if the individual has cred-
4 itable prescription drug coverage, the
5 individual need not so enroll;

6 “(ii) a list of the prescription drug
7 plans and MA–PD plans in which the indi-
8 vidual is eligible to enroll;

9 “(iii) an enrollment form that may be
10 used to enroll in such a plan by mail and
11 that provides that if the individual wishes
12 to enroll but does not designate a plan, the
13 Secretary is authorized to enroll the indi-
14 vidual in such a prescription drug plan se-
15 lected by the Secretary; and

16 “(iv) a statement that the individual
17 may also enroll online or by telephone, but,
18 in order to qualify for low-income sub-
19 sidies, the individual must complete the at-
20 testation described in subparagraph (D) or
21 otherwise apply for such subsidies.

22 “(D) ATTESTATION.—A one-page applica-
23 tion form that provides for a signed attestation,
24 under penalty of law, as to the amount of in-
25 come and assets of the individual and con-

1 stitutes an application for the low-income sub-
2 sidies described in subparagraph (B). Such
3 form—

4 “(i) shall not require the submittal of
5 additional documentation regarding income
6 or assets;

7 “(ii) shall permit the appointment of
8 a personal representative described in
9 paragraph (6); and

10 “(iii) may provide for the specification
11 of a language (other than English) that is
12 preferred for subsequent communications
13 with respect to the individual under this
14 part.

15 “(E) INFORMATION ON SHIP.—Information
16 on how the individual may contact the State
17 Health Insurance Assistance Program (SHIP)
18 for the State in which the individual is located
19 in order to obtain assistance regarding enroll-
20 ment and benefits under this part.

21 If a State is doing its own outreach to low-income
22 seniors regarding enrollment and low-income sub-
23 sidies under this part, such process shall be coordi-
24 nated with the State’s outreach effort.

1 “(3) FOLLOW-UP COMMUNICATIONS.—If the in-
2 dividual does not respond to the letter described in
3 paragraph (2) either by making an enrollment de-
4 scribed in paragraph (2)(C), completing an attesta-
5 tion described in paragraph (2)(D), or declining ei-
6 ther or both, the Secretary shall make additional at-
7 tempts to contact the individual to obtain such an
8 affirmative response.

9 “(4) HOLD-HARMLESS.—Under such process, if
10 an individual in good faith and the absence of fraud
11 executes an attestation described in paragraph
12 (2)(D) and is provided low-income subsidies under
13 this section on the basis of such attestation, if the
14 individual is subsequently found not eligible for such
15 subsidies, there shall be no recovery made against
16 the individual because of such subsidies improperly
17 paid.

18 “(5) USE OF AUTHORIZED REPRESENTATIVE.—
19 Under such process, with proper authorization
20 (which may be part of the attestation form described
21 in paragraph (2)(D)), an individual may authorize
22 another individual to act as the individual’s personal
23 representative with respect to communications under
24 this part and the enrollment of the individual under

1 a prescription drug plan (or MA–PD plan) and for
2 low-income subsidies under this section.

3 “(6) USE OF PREFERRED LANGUAGE IN SUBSE-
4 QUENT COMMUNICATIONS.—In the case an attesta-
5 tion described in paragraph (2)(D) is completed and
6 in which a language other than English is specified
7 under clause (iii) of such paragraph, the Secretary
8 shall provide that subsequent communications to the
9 individual under this part shall be in such language.

10 “(7) CONSTRUCTION.—Nothing in this sub-
11 section shall be construed as precluding the Sec-
12 retary from taking additional outreach efforts to en-
13 roll eligible individuals under this part and to pro-
14 vide low-income subsidies to eligible individuals.”.

15 (b) TRANSITIONAL DISCLOSURE OF RETURN INFOR-
16 MATION FOR PURPOSES OF PROVIDING LOW-INCOME
17 SUBSIDIES UNDER MEDICARE.—

18 (1) IN GENERAL.—Subsection (l) of section
19 6103 of the Internal Revenue Code of 1986 is
20 amended by adding at the end the following new
21 paragraph:

22 “(21) TRANSITIONAL DISCLOSURE OF RETURN
23 INFORMATION FOR PURPOSES OF PROVIDING LOW-
24 INCOME SUBSIDIES UNDER MEDICARE.—

1 “(A) IN GENERAL.—The Secretary, upon
2 written request from the Secretary of Health
3 and Human Services under section 1860D–
4 14(e)(1) of the Social Security Act for an indi-
5 vidual described in subparagraph (C) of such
6 section, shall disclose to officers and employees
7 of the Department of Health and Human Serv-
8 ices and the Social Security Administration
9 with respect to a taxpayer for the applicable
10 year—

11 “(i)(I) whether the adjusted gross in-
12 come, as modified in accordance with spec-
13 ifications of the Secretary of Health and
14 Human Services for purposes of carrying
15 out such section, of such taxpayer and, if
16 applicable, such taxpayer’s spouse, for the
17 applicable year, exceeds the amounts speci-
18 fied by the Secretary of Health and
19 Human Services as indicating likely eligi-
20 bility for the low-income subsidy provided
21 under section 1860D–14 of such Act,

22 “(II) whether the return was a joint
23 return, and

24 “(III) the applicable year, or

1 “(ii) if applicable, the fact that there
2 is no return filed for such taxpayer for the
3 applicable year.

4 “(B) DEFINITION OF APPLICABLE YEAR.—
5 For the purposes of this paragraph, the term
6 ‘applicable year’ means the most recent taxable
7 year for which information is available in the
8 Internal Revenue Service’s taxpayer data infor-
9 mation systems, or, if there is no return filed
10 for such taxpayer for such year, the prior tax-
11 able year.

12 “(C) RESTRICTION ON USE OF DISCLOSED
13 INFORMATION.—Return information disclosed
14 under this paragraph may be used only for the
15 purposes of identifying eligible individuals for,
16 and administering—

17 “(i) low-income subsidies under sec-
18 tion 1860D–14 of the Social Security Act,
19 and

20 “(ii) the Medicare Savings Program
21 implemented under clauses (i), (iii), and
22 (iv) of section 1902(a)(10)(E) of such Act.

23 “(D) TERMINATION.—Return information
24 may not be disclosed under this paragraph after

1 the date that is one year after the date of the
2 enactment of this paragraph.”.

3 (2) CONFIDENTIALITY.—Paragraph (3) of sec-
4 tion 6103(a) of such Code is amended by striking
5 “or (20)” and inserting “(20), or (21)”.

6 (3) PROCEDURES AND RECORDKEEPING RE-
7 LATED TO DISCLOSURES.—Paragraph (4) of section
8 6103(p) of such Code is amended by striking “or
9 (20)” each place it appears and inserting “(20), or
10 (21)”.

11 (4) UNAUTHORIZED DISCLOSURE OR INSPEC-
12 TION.—Paragraph (2) of section 7213(a) of such
13 Code is amended by striking “or (20)” and inserting
14 “(20), or (21)”.

15 **SEC. 3. INCREASE IN PERMITTED RESOURCES TO OBTAIN**
16 **LOW-INCOME SUBSIDIES.**

17 (a) INCREASE IN RESOURCE LIMITS.—Subparagraph
18 (E) of section 1860D–14(a)(3) of the Social Security Act
19 (42 U.S.C. 1395ww–114(a)(3)) is amended—

20 (1) in subclause (I), by striking “for 2006” and
21 inserting “for months in 2006 before the first day
22 of the first month beginning after the date of the en-
23 actment of the Prescription Drug Now Act of 2006”
24 and by striking “and” at the end;

1 (2) by redesignating subclause (II) as subclause
2 (III);

3 (3) by inserting after subclause (I) the fol-
4 lowing new subclause:

5 “(II) for months in 2006 begin-
6 ning with the first month that begins
7 after the date of the enactment of the
8 Prescription Drug Now Act of 2006,
9 \$50,000 (or \$100,000 in the case of
10 the combined value of the individual’s
11 assets or resources and the assets or
12 resources of the individual’s spouse);
13 and”;

14 (4) in the last sentence, by striking “subclause
15 (II)” and inserting “subclause (III)”.

16 (b) NOT COUNTING VALUE OF LIFE INSURANCE AS
17 RESOURCE.—Such section is further amended—

18 (1) in subparagraphs (D) and (E), by inserting
19 “, except as provided in subparagraph (G)” after
20 “supplemental security income program”; and

21 (2) by adding at the end the following new sub-
22 paragraph:

23 “(G) EXCLUSION OF LIFE INSURANCE IN
24 RESOURCES.—For purposes of subparagraphs
25 (D) and (E), the value of a life insurance policy

1 shall not be counted as a resource for months
2 beginning after the date of the enactment of
3 this subparagraph.”.

4 **SEC. 4. WAIVER OF LATE ENROLLMENT PENALTY FOR SUB-**
5 **SIDY ELIGIBLE INDIVIDUALS FOR FIRST 24**
6 **MONTHS OF NON-ENROLLMENT.**

7 Section 1860D–13(b)(3)(B) of the Social Security
8 Act (42 U.S.C. 1395w–113(b)(3)(B)) is amended by in-
9 serting before the period at the end the following: “, except
10 that in the case of a subsidy eligible individual (as defined
11 in section 1860D–14(a)(3)(A)) the first 24 uncovered
12 months shall not be counted”.

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