

109TH CONGRESS
1ST SESSION

H. R. 736

To require the establishment of regional consumer price indices to compute cost-of-living increases under the programs for Social Security and Medicare and other medical benefits under titles II and XVIII of the Social Security Act.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 9, 2005

Mr. WEINER 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 require the establishment of regional consumer price indices to compute cost-of-living increases under the programs for Social Security and Medicare and other medical benefits under titles II and XVIII of the Social Security Act.

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 “COLA Fairness Act
5 of 2005”.

1 **SEC. 2. REGIONAL CONSUMER PRICE INDEX.**

2 (a) RECOGNITION OF REGIONS.—The Bureau of
3 Labor Statistics of the Department of Labor shall estab-
4 lish and publish a mapping of the United States under
5 which 14 regions are recognized comprising the United
6 States. Each region shall include one of the cities listed
7 in subsection (b).

8 (b) SPECIFIED CITIES.—The cities specified in this
9 subsection are the following:

- 10 (1) Atlanta, Georgia;
- 11 (2) Boston, Massachusetts;
- 12 (3) Chicago, Illinois;
- 13 (4) Cleveland, Ohio;
- 14 (5) Dallas, Texas;
- 15 (6) Detroit, Michigan;
- 16 (7) Philadelphia, Pennsylvania;
- 17 (8) Houston, Texas;
- 18 (9) Los Angeles, California;
- 19 (10) Miami, Florida;
- 20 (11) New York, New York;
- 21 (12) San Francisco, California;
- 22 (13) Seattle, Washington; and
- 23 (14) Washington, District of Columbia.

24 (c) ESTABLISHMENT OF REGIONAL CONSUMER
25 PRICE INDICES.—The Bureau shall establish and publish
26 for each region recognized pursuant to subsection (a) a

1 monthly index for the region, to be known as the “Re-
2 gional Consumer Price Index” for the region, that indi-
3 cates changes over time in expenditures for consumption
4 which are typical for individuals residing in the region.

5 (d) EFFECTIVE DATE.—The preceding provisions of
6 this section shall apply with respect to calendar months
7 beginning on or after January 1, 2007.

8 (e) AUTHORIZATION OF APPROPRIATIONS.—There
9 are authorized to be appropriated such sums as are nec-
10 essary to carry out the provisions of this section.

11 **SEC. 3. COMPUTATION OF SOCIAL SECURITY COST-OF-LIV-**
12 **ING INCREASES.**

13 (a) AMENDMENTS TO TITLE II.—

14 (1) IN GENERAL.—Section 215(i) of the Social
15 Security Act (42 U.S.C. 415(i)) is amended—

16 (A) in paragraph (1)(G), by inserting be-
17 fore the period the following: “, and, with re-
18 spect to an individual who, at the time he ini-
19 tially becomes eligible for old-age insurance
20 benefits or disability insurance benefits (or dies
21 before initially becoming so eligible), resides in
22 a region of the United States recognized by the
23 Bureau of Labor Statistics pursuant to section
24 2(a) of the COLA Fairness Act of 2005, the
25 applicable Consumer Price Index shall be

1 deemed to be the Regional Consumer Price
2 Index for such region”; and

3 (B) in paragraph (4), by striking “and by
4 section 9001” and inserting “, by section
5 9001”, and by inserting after “1986,” the fol-
6 lowing: “and by section 3(a) of the COLA Fair-
7 ness Act of 2005.”.

8 (2) CONFORMING AMENDMENTS RELATING TO
9 APPLICABLE FORMER LAW.—Section 215(i)(4) of
10 such Act (42 U.S.C. 415(i)(4)) is amended by add-
11 ing at the end the following new sentence: “For pur-
12 poses of computing adjustments under this sub-
13 section as so in effect, the applicable Consumer
14 Price Index shall be deemed to be the Regional Con-
15 sumer Price Index for the region in which such indi-
16 vidual resides at the time he becomes eligible for old-
17 age insurance benefits or disability insurance bene-
18 fits (or dies before initially becoming so eligible).”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to determinations made by the
21 Commissioner of Social Security under section 215(i)(2)
22 of the Social Security Act (42 U.S.C. 415(i)(2)) with re-
23 spect to cost-of-living computation quarters ending on or
24 after September 30 of the second calendar year following
25 the calendar year in which this Act is enacted.

1 **SEC. 4. AMENDMENTS TO TITLE XVIII OF THE SOCIAL SE-**
2 **CURITY ACT.**

3 (a) IN GENERAL.—Title XVIII of the Social Security
4 Act (42 U.S.C. 1395 et seq.) is amended—

5 (1) in section 1814(i)(2)(B), by inserting “(i)
6 for accounting years ending before October 1 of the
7 second calendar year following the calendar year in
8 which the COLA Fairness Act of 2005 was en-
9 acted,” after “for a year is”, and by inserting after
10 “fifth month of the accounting year” the following:
11 “, and (ii) for accounting years ending after October
12 1 of such calendar year, the cap amount determined
13 under clause (i) for the last accounting year referred
14 to in such clause, increased or decreased by the
15 same percentage as the percentage increase or de-
16 crease, respectively, in the medical care expenditure
17 category (or corresponding category) of the applica-
18 ble consumer price index, published by the Bureau
19 of Labor Statistics, from March of such calendar
20 year to the fifth month of the accounting year”;

21 (2) in section 1821(c)(2)(C)(ii)(II), by striking
22 “consumer price index for all urban consumers (all
23 items; United States city average)” and inserting
24 “applicable consumer price index”;

25 (3) in section 1833(h)(2)(A)(i), by striking
26 “Consumer Price Index for All Urban Consumers

1 (United States city average)” and inserting “applicable
2 consumer price index”;

3 (4) in section 1833(i)(2)(C)(i), by striking
4 “Consumer Price Index for all urban consumers
5 (U.S. city average)” and inserting “applicable consumer
6 price index”;

7 (5) in section 1834(a)(14)(J), by striking “consumer
8 price index for all urban consumers (United
9 States city average)” and inserting “applicable consumer
10 price index”;

11 (6) in section 1834(h)(4)(A)(x), by striking
12 “consumer price index for all urban consumers
13 (United States city average)” and inserting “applicable
14 consumer price index”;

15 (7) in section 1834(l)(3)(B), by striking “consumer
16 price index for all urban consumers (U.S. city
17 average)” and inserting “applicable consumer price
18 index”;

19 (8) in section 1839(i)(5)(A)(ii), by striking
20 “Consumer Price Index for all urban consumers
21 (United States city average)” and inserting “applicable
22 consumer price index”;

23 (9) in section 1842(b)(19), by striking “consumer
24 price index for all urban consumers (U.S. city

1 average)” and inserting “applicable consumer price
2 index”;

3 (10) in section 1842(o)(5)(C), by striking “con-
4 sumer price index” and inserting “applicable con-
5 sumer price index”;

6 (11) in section 1842(s)(1), by striking “con-
7 sumer price index for all urban consumers (United
8 States city average)” and inserting “applicable con-
9 sumer price index”;

10 (12) in subparagraphs (D)(ii) and (E)(i)(II) of
11 section 1860D–14(a)(3), by striking “consumer
12 price index (all items; U.S. city average)” and in-
13 serting “applicable consumer price index” each place
14 it appears;

15 (13) in clauses (i) and (ii) of section 1860D–
16 14(a)(4)(A), by striking “consumer price index (all
17 items; U.S. city average)” and inserting “applicable
18 consumer price index” each place it appears;

19 (14) in section 1869(b)(1)(E)(iii), by inserting
20 “(I) for any such year ending before the second cal-
21 endar year following the calendar year in which the
22 COLA Fairness Act of 2005 was enacted,” after
23 “shall be equal to”, and by inserting after “the year
24 involved” the following “, and (II) for any such year
25 ending with or after such second calendar year, such

1 dollar amounts determined under subclause (I) for
2 the year preceding such second calendar year, in-
3 creased by the percentage increase in the medical
4 care component (or corresponding component) of the
5 applicable consumer price index, published by the
6 Bureau of Labor Statistics, for July of such pre-
7 ceding year to July preceding the year involved”;

8 (15) in section 1882(p)(11)(C)(ii), by striking
9 “Consumer Price Index for all urban consumers (all
10 items; U.S. city average)” and inserting “applicable
11 consumer price index”;

12 (16) in section 1886(h)(2)(E)(vi)(II), by strik-
13 ing “for all urban consumers”; and

14 (17) in section 1886(h)(5)(B), by striking
15 “Consumer Price Index for All Urban Consumers
16 (United States city average), as published by the
17 Secretary of Commerce” and inserting “applicable
18 consumer price index”.

19 (b) DEFINITION OF APPLICABLE CONSUMER PRICE
20 INDEX.—Section 1861 of such Act (42 U.S.C. 1395x) is
21 amended by adding at the end the following new sub-
22 section:

23 “Applicable Consumer Price Index

24 “(bbb) The term ‘applicable consumer price index’
25 means, in connection with any person affected by an ad-

1 justment to be made under this title based on such index,
2 the Regional Consumer Price Index (as prescribed from
3 time to time by the Bureau of Labor Statistics pursuant
4 to section 2(c) of the COLA Fairness Act of 2005) for
5 the region in which such person resides (in the case of
6 an individual) or maintains principal offices (in any other
7 case) at the time the adjustment takes effect. The Sec-
8 retary of Health and Human Services shall prescribe by
9 regulation, in connection with each requirement for an ad-
10 justment under this title based on a Regional Consumer
11 Price Index, the manner in which such adjustment is to
12 be determined to affect particular persons for purposes of
13 this subsection.”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply with respect to determinations
16 made for periods ending after December 31 of the second
17 calendar year following the calendar year in which this Act
18 was enacted.

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