

110TH CONGRESS
1ST SESSION

H. R. 1223

To amend part B of title XVIII of the Social Security Act to waive Medicare part B premiums for certain military retirees.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 2007

Mr. VAN HOLLEN (for himself, Mr. EDWARDS, Mr. MILLER of Florida, and Mr. JONES of North Carolina) 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 part B of title XVIII of the Social Security Act to waive Medicare part B premiums for certain military retirees.

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 “Keeping Faith With
5 the Greatest Generation Military Retirees Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) No statutory health care program existed
2 for members of the uniformed services who entered
3 service prior to December 7, 1956, and retired after
4 serving a minimum of 20 years.

5 (2) Recruiters, re-enlistment counselors, and of-
6 ficers at all levels of the uniformed services, and
7 other government officials, as agents of the United
8 States Government, used recruiting tactics that al-
9 lowed members who entered the uniformed services
10 prior to December 7, 1956, to believe they would be
11 entitled to fully paid lifetime health care upon retire-
12 ment.

13 (3) In the United States Court of Appeals for
14 the Federal Circuit decision of November 18, 2002,
15 in *Schism v. United States* (No. 99–1402), the
16 Court said: “Accordingly, we must affirm the dis-
17 trict court’s judgment and can do no more than
18 hope Congress will make good on the promises re-
19 cruiters made in good faith to plaintiffs and others
20 of the World War II and Korean War era—from
21 1941 to 1956, when Congress enacted its first
22 health care insurance act for military members, ex-
23 cluding older retirees. . . . We cannot readily imag-
24 ine more sympathetic plaintiffs than the retired offi-
25 cers of the World War II and Korean War era in-

1 volved in this case. They served their country for at
2 least 20 years with the understanding that when
3 they retired they and their dependents would receive
4 full free health care for life. The promise of such
5 health care was made in good faith and relied upon.
6 Again, however, because no authority existed to
7 make such promises in the first place, and because
8 Congress has never ratified or acquiesced to this
9 promise, we have no alternative but to uphold the
10 judgment against the retirees’ breach-of-contract
11 claim. . . . Perhaps Congress will consider using its
12 legal power to address the moral claims raised by
13 [the plaintiffs] on their own behalf, and indirectly
14 for other affected retirees.”.

15 (4) Only the United States Congress can make
16 good on the promises recruiters made in good faith
17 to plaintiffs and others of the World War II and Ko-
18 rean War era.

19 **SEC. 3. WAIVER OF MEDICARE PART B PREMIUM FOR CER-**
20 **TAIN MILITARY RETIREES.**

21 (a) IN GENERAL.—Section 1839 of the Social Secu-
22 rity Act (42 U.S.C. 1395r) is amended—

23 (1) in subsection (a)(2), by striking “The
24 monthly premium” and inserting “Except as pro-
25 vided in subsection (j), the monthly premium”; and

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

3 “(j)(1) The amount of the monthly premium for an
4 eligible individual enrolled under this part is equal to \$0.

5 “(2) For purposes of paragraph (1), the term ‘eligible
6 individual’ means—

7 “(A) an individual who is entitled to retired or
8 retainer pay based upon service in the uniformed
9 services (as defined in section 101 of title 10, United
10 States Code) that began before December 7, 1956;

11 “(B) the spouse (as determined under section
12 7703 of the Internal Revenue Code of 1986) of an
13 individual described in subparagraph (A); and

14 “(C) the widow or widower, as the case may be,
15 of an individual described in subparagraph (A).

16 “(3) With respect to years beginning after the date
17 of the enactment of this subsection, the monthly premium
18 rate calculated under subsection (a)(3) for individuals en-
19 rolled under this part who are not eligible individuals
20 under this subsection shall be determined without regard
21 to benefits and administrative costs attributable to such
22 eligible individuals during such years.”.

23 (b) CONFORMING AMENDMENT.—Subsection (i) of
24 such section is amended by adding at the end the following
25 new paragraph:

1 “(7) INAPPLICABILITY TO CERTAIN MILITARY
2 RETIREES.—This subsection shall not apply to eligi-
3 ble individuals (as defined in subsection (j)(2)).”.

4 (c) EFFECTIVE DATE; REBATE MECHANISM.—

5 (1) IN GENERAL.—The amendments made by
6 this section shall apply to premiums for months be-
7 ginning more than 45 days after the date of the en-
8 actment of this Act.

9 (2) REBATE MECHANISM.—The Secretary of
10 Health and Human Services shall use the rebate
11 methodology established pursuant to section
12 625(a)(2) of the Medicare Prescription Drug, Im-
13 provement, and Modernization Act of 2003 (Public
14 Law 108–173, 117 Stat. 2318) to provide rebates to
15 eligible individuals (as defined in subsection (j)(2) of
16 section 1839 of the Social Security Act, as added by
17 subsection (a)) of any premium or premium penalty
18 paid under such section for months described in
19 paragraph (1).

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