

109TH CONGRESS
1ST SESSION

H. R. 2072

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.

IN THE HOUSE OF REPRESENTATIVES

MAY 4, 2005

Mr. STARK (for himself, Mr. BROWN of Ohio, Mr. RANGEL, Mr. DINGELL, Mr. WAXMAN, Ms. PELOSI, Mr. GEORGE MILLER of California, Mr. PALLONE, Mr. ALLEN, Mr. ANDREWS, Mr. BACA, Ms. BALDWIN, Ms. BERKLEY, Mr. BERRY, Ms. CORRINE BROWN of Florida, Mr. BUTTERFIELD, Mr. CARNAHAN, Mrs. CAPPS, Mr. CARDIN, Ms. CARSON, Mrs. CHRISTENSEN, Mr. CLEAVER, Mr. CROWLEY, Mr. CUELLAR, Mr. CUMMINGS, Mrs. DAVIS of California, Ms. DELAURO, Mr. DOGGETT, Mr. EMANUEL, Mr. ENGEL, Mr. EVANS, Mr. FARR, Mr. GONZALEZ, Mr. GORDON, Mr. AL GREEN of Texas, Mr. GENE GREEN of Texas, Mr. GRIJALVA, Mr. GUTIERREZ, Mr. HASTINGS of Florida, Mr. HIGGINS, Mr. HINCHEY, Mr. HINOJOSA, Ms. NORTON, Mr. HOLT, Mr. HONDA, Mr. HOYER, Mr. ISRAEL, Mr. JACKSON of Illinois, Ms. JACKSON-LEE of Texas, Mr. KILDEE, Ms. KILPATRICK of Michigan, Mr. KUCINICH, Mr. LANGEVIN, Mr. LANTOS, Mr. LARSON of Connecticut, Ms. LEE, Mr. LEWIS of Georgia, Mr. LYNCH, Mrs. MALONEY, Ms. MATSUI, Mrs. MCCARTHY, Ms. MCCOLLUM of Minnesota, Mr. McDERMOTT, Mr. MCGOVERN, Mr. McNULTY, Mr. MEEHAN, Mr. MENENDEZ, Mr. MICHAUD, Ms. MILLENDER-MCDONALD, Mr. MURTHA, Mr. NADLER, Mr. OBERSTAR, Mr. OLVER, Mr. ORTIZ, Mr. OWENS, Mr. PASCRELL, Mr. PASTOR, Mr. REYES, Mr. ROSS, Ms. ROYBAL-ALLARD, Mr. RUPPERSBERGER, Mr. RYAN of Ohio, Mr. SALAZAR, Ms. LINDA T. SÁNCHEZ of California, Ms. SCHAKOWSKY, Ms. SCHWARTZ of Pennsylvania, Mr. SCOTT of Georgia, Mr. SCOTT of Virginia, Mr. SERRANO, Ms. SOLIS, Mr. STRICKLAND, Mr. STUPAK, Mr. TIERNEY, Mr. VAN HOLLEN, Ms. WASSERMAN SCHULTZ, Mr. WEXLER, Mr. JEFFERSON, and Mr. SANDERS) 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 2005”.

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
coverage.

“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 EARLY ACCESS PREMIUMS

Sec. 201. Refundable and advanceable income tax credit for Medicare early access 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 is amended—

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

9 (2) by inserting after part D the following new
 10 part:

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

14 **“SEC. 1860E-1. PROGRAM BENEFITS; ELIGIBILITY.**

15 “(a) ENTITLEMENT TO MEDICARE BENEFITS FOR
 16 ENROLLED INDIVIDUALS.—

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

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

22 “(A) FEDERAL OR STATE COBRA CONTINU-
 23 ATION PROVISION.—The term ‘Federal or State
 24 COBRA continuation provision’ has the mean-
 25 ing given the term ‘COBRA continuation provi-

1 sion’ in section 2791(d)(4) of the Public Health
2 Service Act and includes a comparable State
3 program, as determined by the Secretary.

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

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

9 “(ii) MEDICAID.—A State plan under
10 title XIX.

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

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

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

21 “(C) GROUP HEALTH PLAN.—The term
22 ‘group health plan’ has the meaning given such
23 term in section 2791(a)(1) of the Public Health
24 Service Act.

1 “(b) ELIGIBILITY OF INDIVIDUALS AGE 55 TO 65
2 YEARS OF AGE.—

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

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

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

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

24 “(2) LIMITATION ON ELIGIBILITY IF TERMI-
25 NATED ENROLLMENT.—If an individual described in

1 paragraph (1) enrolls under this part and coverage
2 of the individual is terminated under section 1860E–
3 2(d) (other than because of age), the individual is
4 not again eligible to enroll under this subsection un-
5 less the following requirements are met:

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

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

20 “(3) CHANGE IN HEALTH PLAN ELIGIBILITY
21 DOES NOT AFFECT COVERAGE.—In the case of an
22 individual who is eligible for and enrolls under this
23 part under this subsection, the individual’s continued
24 entitlement to benefits under this part shall not be
25 affected by the individual’s subsequent eligibility for

1 benefits or coverage described in paragraph (1)(C),
2 or entitlement to such benefits or coverage.

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

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

13 “(b) ENROLLMENT PERIODS.—

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

17 “(A) INITIAL ENROLLMENT PERIOD.—If
18 the individual is eligible to enroll under such
19 section for January 2006, the enrollment period
20 shall begin on November 1, 2005, and shall end
21 on February 28, 2006. Any such enrollment be-
22 fore January 1, 2006, is conditioned upon com-
23 pliance with the conditions of eligibility for Jan-
24 uary 2006.

1 “(B) SUBSEQUENT PERIODS.—If the indi-
2 vidual is eligible to enroll under such section for
3 a month after January 2006, the enrollment pe-
4 riod shall begin on the first day of the second
5 month before the month in which the individual
6 first is eligible to so enroll and shall end four
7 months later. Any such enrollment before the
8 first day of the third month of such enrollment
9 period is conditioned upon compliance with the
10 conditions of eligibility for such third month.

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

16 “(c) DATE COVERAGE BEGINS.—

17 “(1) IN GENERAL.—The period during which
18 an individual is entitled to benefits under this part
19 shall begin as follows, but in no case earlier than
20 January 1, 2006:

21 “(A) In the case of an individual who en-
22 rolls (including pre-enrolls) before the month in
23 which the individual satisfies eligibility for en-
24 rollment under section 1860E–1, the first day
25 of such month of eligibility.

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

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

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

17 “(d) TERMINATION OF COVERAGE.—

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

22 “(A) GENERAL PROVISIONS.—

23 “(i) NOTICE.—The individual files no-
24 tice (in a form and manner prescribed by
25 the Secretary) that the individual no

1 longer wishes to participate in the insur-
2 ance program under this part.

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

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

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

13 “(2) EFFECTIVE DATE OF TERMINATION.—

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

18 “(B) NONPAYMENT OF PREMIUM.—The
19 termination of a coverage period under para-
20 graph (1)(A)(ii) shall take effect on a date de-
21 termined under regulations, which may be de-
22 termined so as to provide a grace period in
23 which overdue premiums may be paid and cov-
24 erage continued. The grace period determined
25 under the preceding sentence shall not exceed

1 60 days; except that it may be extended for an
2 additional 30 days in any case where the Sec-
3 retary determines that there was good cause for
4 failure to pay the overdue premiums within
5 such 60-day period.

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

13 **“SEC. 1860E-3. PREMIUMS.**

14 “(a) AMOUNT OF MONTHLY PREMIUMS.—The Sec-
15 retary shall, during September of each year (beginning
16 with 2005), determine a monthly premium for individuals
17 55 years of age or older, equal to $\frac{1}{12}$ of the annual pre-
18 mium computed under subsection (b)(2), which shall apply
19 with respect to coverage provided under this title for any
20 month in the succeeding year.

21 “(b) ANNUAL PREMIUM.—

22 “(1) NATIONAL, PER CAPITA AVERAGE.—The
23 Secretary shall estimate the average, annual per
24 capita amount that would be payable under this title
25 with respect to individuals residing in the United

1 States who meet the requirement of section 1860E–
 2 1(b)(1)(A) as if all such individuals were eligible for
 3 (and enrolled) under this title during the entire year
 4 (and assuming that section 1862(b)(2)(A)(i) did not
 5 apply).

6 “(2) ANNUAL PREMIUM.—The annual premium
 7 under this subsection for months in a year is equal
 8 to the average, annual per capita amount estimated
 9 under paragraph (1) for the year.

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

11 “(a) PAYMENT OF MONTHLY PREMIUM.—

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

22 “(2) PERIOD OF PAYMENT.—In the case of an
 23 individual who participates in the program estab-
 24 lished by this title, the monthly premium shall be
 25 payable for the period commencing with the first

1 month of the individual's coverage period and ending
2 with the month in which the individual's coverage
3 under this title terminates.

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

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

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

20 “(b) MAINTENANCE OF EFFORT.—In the case of an
21 employer that offers employment-based retiree health cov-
22 erage to an individual who enrolls under this part, upon
23 enrollment of the individual under this part, the employer
24 may modify such coverage to provide for the following ben-
25 efits:

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

4 “(2) Payment is made by the employer spon-
5 soring such coverage of 25 percent of the monthly
6 premium under section 1860E–3 applicable to the
7 individual after enrollment under this part.

8 “(c) EMPLOYMENT-BASED RETIREE HEALTH COV-
9 ERAGE.—The term ‘employment-based retiree health cov-
10 erage’ has the meaning given that term in section 1860D–
11 22(c)(1), except that, for purposes of this part, any ref-
12 erence in such section to ‘part D’ is deemed to be a ref-
13 erence to ‘part E’.

14 **“SEC. 1860E–6. MEDICARE EARLY ACCESS TRUST FUND.**

15 “(a) ESTABLISHMENT OF TRUST FUND.—

16 “(1) IN GENERAL.—There is hereby created on
17 the books of the Treasury of the United States a
18 trust fund to be known as the ‘Medicare Early Ac-
19 cess Trust Fund’ (in this section referred to as the
20 ‘Trust Fund’). The Trust Fund shall consist of such
21 gifts and bequests as may be made as provided in
22 section 201(i)(1) and such amounts as may be de-
23 posited in, or appropriated to, such fund as provided
24 in this title.

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

4 “(b) INCORPORATION OF PROVISIONS.—

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

11 “(2) MISCELLANEOUS REFERENCES.—In apply-
12 ing provisions of section 1841 under paragraph
13 (1)—

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

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

21 “(C) payments may be made under section
22 1841(g) to the Trust Funds under sections
23 1817 and 1841 as reimbursement to such funds
24 for payments they made for benefits provided
25 under this part.

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

2 “(a) THROUGH ANNUAL REPORTS OF TRUSTEES.—

3 The Board of Trustees of the Medicare Early Access
4 Trust Fund under section 1860E-6(b)(1) shall report on
5 an annual basis to Congress concerning the status of the
6 Trust Fund and the need for adjustments in the program
7 under this part to maintain financial solvency of the pro-
8 gram under this part.

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

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

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

20 “(1) individuals enrolled under this part shall
21 be treated for purposes of this title as though the in-
22 dividual were entitled to benefits and enrolled under
23 any part of this title; and

24 “(2) benefits described in section 1860E-1
25 shall be payable under this title to such individuals

1 in the same manner as if such individuals were so
2 entitled and enrolled.

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

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

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

23 (2) Section 201(g)(1)(A) of such Act (42 U.S.C.
24 401(g)(1)(A)) is amended by striking “and the Federal
25 Supplementary Medical Insurance Trust Fund established

1 by title XVIII” and inserting “, the Federal Supple-
 2 mentary Medical Insurance Trust Fund, and the Medicare
 3 Early Access Trust Fund established by title XVIII”.

4 (3) Section 1820(i) of such Act (42 U.S.C. 1395i-
 5 4(i)) is amended by striking “part D” and inserting “part
 6 F”.

7 (4) Section 1853 of such Act (42 U.S.C. 1395w-23)
 8 is amended by adding at the end the following new sub-
 9 section:

10 “(k) ADJUSTMENT FOR EARLY ACCESS.—In apply-
 11 ing this section with respect to individuals entitled to bene-
 12 fits under part E, the Secretary shall provide for an appro-
 13 priate adjustment in, for 2006, the annual MA capitation
 14 rate, and for years beginning with 2007, the payment
 15 amount determined under this section or section 1858, as
 16 may be appropriate to reflect differences between the pop-
 17 ulation served under such part and the population under
 18 parts A and B.”.

19 (5) Section 1860D-15(c)(1) of such Act (42 U.S.C.
 20 1395w-115(c)(1)) is amended by adding at the end the
 21 following new subparagraph:

22 “(E) ADJUSTMENT FOR EARLY ACCESS.—
 23 In applying this section with respect to individ-
 24 uals entitled to benefits under part E, the Sec-
 25 retary shall provide for an appropriate adjust-

1 ment in the payment amount determined under
2 this section as may be appropriate to reflect dif-
3 ferences between the population served under
4 such part and the population under parts A and
5 B.”.

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

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

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

1 **TITLE II—REFUNDABLE AND**
 2 **ADVANCEABLE CREDIT**
 3 **AGAINST INCOME TAX FOR**
 4 **MEDICARE EARLY ACCESS**
 5 **PREMIUMS**

6 **SEC. 201. REFUNDABLE AND ADVANCEABLE INCOME TAX**
 7 **CREDIT FOR MEDICARE EARLY ACCESS PRE-**
 8 **MIUMS.**

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

14 **“SEC. 36. MEDICARE EARLY ACCESS PREMIUMS.**

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

20 “(b) DEFINITIONS.—For purposes of this section the
 21 term ‘medicare early access coverage premiums’ means
 22 premiums paid under part E of title XVIII of the Social
 23 Security Act.

24 “(c) COORDINATION WITH ADVANCE PAYMENT.—
 25 With respect to any taxable year, the amount which would

1 (but for this subsection) be allowed as a credit under sub-
 2 section (a) shall be reduced (but not below zero) by the
 3 aggregate amount paid on behalf of such taxpayer under
 4 section 7528 for such taxable year.”.

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

8 **“SEC. 7528. ADVANCE PAYMENT OF CREDIT FOR MEDICARE**
 9 **EARLY ACCESS PREMIUMS.**

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

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

23 (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 early access 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 early access premiums.”.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2005.

○