

115TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To amend title XVIII of the Social Security Act to improve the affordability and enrollment procedures of the Medicare program, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mr. NELSON introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend title XVIII of the Social Security Act to improve the affordability and enrollment procedures of the Medicare program, 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       “Helping Seniors Afford Medicare Act of 2018”.

6       (b) TABLE OF CONTENTS.—The table of contents of  
7       this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Protecting against high out-of-pocket expenditures for Medicare fee-for-service benefits.

Sec. 3. Reducing cost-sharing, aligning income and resource eligibility tests, and simplifying enrollment for low-income beneficiaries.

Sec. 4. Reducing Medicare cost-sharing for low-income beneficiaries.

Sec. 5. Improving Medicare beneficiary enrollment procedures and effective dates of coverage.

1 **SEC. 2. PROTECTING AGAINST HIGH OUT-OF-POCKET EX-**  
2 **PENDITURES FOR MEDICARE FEE-FOR-SERV-**  
3 **ICE BENEFITS.**

4 Title XVIII of the Social Security Act (42 U.S.C.  
5 1395 et seq.) is amended by adding at the end the fol-  
6 lowing new section:

7 “PROTECTION AGAINST HIGH OUT-OF-POCKET  
8 EXPENDITURES

9 “SEC. 1899C. (a) IN GENERAL.—Notwithstanding  
10 any other provision of this title, in the case of an indi-  
11 vidual entitled to, or enrolled for, benefits under part A  
12 or enrolled in part B, if the amount of the out-of-pocket  
13 cost-sharing of such individual for a year (beginning with  
14 2019) equals or exceeds the annual out-of-pocket limit  
15 under subsection (b) for that year—

16 “(1) the amount otherwise payable under part  
17 A and the total amount of expenses incurred by the  
18 individual which would (except for this section) con-  
19 stitute incurred expenses for which benefits are pay-  
20 able under part B, shall be 100 percent of such  
21 amount for the remainder of that year; and

22 “(2) the individual shall not be responsible for  
23 out-of-pocket cost-sharing incurred during the re-  
24 mainder of that year.

1 “(b) ANNUAL OUT-OF-POCKET LIMIT.—

2 “(1) IN GENERAL.—The amount of the annual  
3 out-of-pocket limit under this subsection shall be—

4 “(A) for 2019, \$5,500; or

5 “(B) for a subsequent year, the amount  
6 specified in this subsection for the preceding  
7 year increased or decreased by the percentage  
8 change in the Consumer Price Index for All  
9 Urban Consumers for the 12-month period end-  
10 ing with June of such preceding year.

11 “(2) ROUNDING.—If any amount determined  
12 under paragraph (1)(B) is not a multiple of \$5, such  
13 amount shall be rounded to the nearest multiple of  
14 \$5.

15 “(c) OUT-OF-POCKET COST-SHARING DEFINED.—

16 “(1) IN GENERAL.—Subject to paragraphs (2)  
17 and (3), in this section, the term ‘out-of-pocket cost-  
18 sharing’ means, with respect to an individual, the  
19 amount of the expenses incurred by the individual  
20 that are attributable to—

21 “(A) deductibles, coinsurance and copay-  
22 ments applicable under part A or B; or

23 “(B) for items and services that would  
24 have otherwise been covered under part A or B  
25 but for the exhaustion of those benefits.

1           “(2) CERTAIN COSTS NOT INCLUDED.—

2                   “(A) NON-COVERED ITEMS AND SERV-  
3           ICES.—Expenses incurred for items and serv-  
4           ices which are not covered under part A or B  
5           shall not be considered incurred expenses for  
6           purposes of determining out-of-pocket cost-  
7           sharing under paragraph (1).

8                   “(B) ITEMS AND SERVICES NOT FUR-  
9           NISHED ON AN ASSIGNMENT-RELATED BASIS.—  
10          If an item or service is furnished to an indi-  
11          vidual under this title and is not furnished on  
12          an assignment-related basis, any additional ex-  
13          penses the individual incurs above the amount  
14          the individual would have incurred if the item  
15          or service was furnished on an assignment-re-  
16          lated basis shall not be considered incurred ex-  
17          penses for purposes of determining out-of-pock-  
18          et cost-sharing under paragraph (1).

19                  “(3) SOURCE OF PAYMENT.—For purposes of  
20          paragraph (1), the Secretary shall consider expenses  
21          to be incurred by the individual without regard to  
22          whether the individual or another person, including  
23          a State program, an employer, a medicare supple-  
24          mental policy, or other third-party coverage, has  
25          paid for such expenses.

1       “(d) ANNOUNCEMENT OF THE ANNUAL OUT-OF-  
2 POCKET LIMIT.—The Secretary shall (beginning in 2019)  
3 announce (in a manner intended to provide notice to all  
4 interested parties) the annual out-of-pocket limit under  
5 this section that will be applicable for the succeeding  
6 year.”.

7       **SEC. 3. REDUCING COST-SHARING, ALIGNING INCOME AND**  
8                       **RESOURCE ELIGIBILITY TESTS, AND SIMPLI-**  
9                       **FYING ENROLLMENT FOR LOW-INCOME**  
10                      **BENEFICIARIES.**

11       (a) INCREASE IN INCOME ELIGIBILITY TO 135 PER-  
12 CENT OF FPL FOR QUALIFIED MEDICARE BENE-  
13 FICIARIES.—Section 1905(p)(2) of the Social Security Act  
14 (42 U.S.C. 1396d(p)(2)) is amended—

15               (1) in subparagraph (A), by striking “100 per-  
16 cent” and inserting “135 percent”;

17               (2) in subparagraph (B)—

18                       (A) by striking “and” at the end of clause

19                       (ii);

20                       (B) by striking the period at the end of  
21 clause (iii) and inserting “, and”; and

22                       (C) by adding at the end the following:

23                       “(iv) January 1, 2020, is 135 percent.”; and

24               (3) in subparagraph (C)—

1 (A) by striking “and” at the end of clause  
2 (iii);

3 (B) by striking the period at the end of  
4 clause (iv) and inserting “, and”; and

5 (C) by adding at the end the following:

6 “(v) January 1, 2020, is 135 percent.”.

7 (b) INCREASE IN INCOME ELIGIBILITY TO 150 PER-  
8 CENT OF FPL FOR SPECIFIED LOW-INCOME MEDICARE  
9 BENEFICIARIES.—

10 (1) ELIGIBILITY OF INDIVIDUALS WITH IN-  
11 COMES BELOW 150 PERCENT OF FPL.—Section  
12 1902(a)(10)(E) of the Social Security Act (42  
13 U.S.C. 1396b(a)(10)(E)) is amended—

14 (A) by adding “and” at the end of clause  
15 (ii);

16 (B) in clause (iii)—

17 (i) by striking “and 120 percent in  
18 1995 and years thereafter” and inserting  
19 “120 percent in 1995 and years thereafter  
20 before 2020, and 150 percent in 2020 and  
21 years thereafter”; and

22 (ii) by striking “and” at the end; and

23 (C) by striking clause (iv).

24 (2) REFERENCES.—Section 1905(p)(1) of such  
25 Act (42 U.S.C. 1396d(p)(1)) is amended by insert-

1       ing after subparagraph (C) the following flush sen-  
2       tence:

3       “The term ‘specified low-income medicare beneficiary’  
4       means an individual described in section  
5       1902(a)(10)(E)(iii).”.

6               (3) CONFORMING AMENDMENTS.—

7               (A) The first sentence of section 1905(b)  
8       of such Act (42 U.S.C. 1396d(b)) is amended  
9       by striking “and section 1933(d)”.

10              (B) Section 1933 of such Act (42 U.S.C.  
11       1396u-3) is repealed.

12       (c) 100 PERCENT FMAP.—Section 1905 of the So-  
13       cial Security Act (42 U.S.C. 1396d) is amended—

14              (1) in subsection (b), by striking “and (aa)”  
15       and inserting “(aa), and (ee)”; and

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

18       “(ee) INCREASED FMAP FOR EXPANDED MEDICARE  
19       COST-SHARING POPULATIONS.—

20              “(1) IN GENERAL.—Notwithstanding subsection  
21       (b), with respect to expenditures described in para-  
22       graph (2), the Federal medical assistance percentage  
23       shall be equal to 100 percent.

24              “(2) EXPENDITURES DESCRIBED.—The expend-  
25       itures described in this paragraph are expenditures

1       made on or after January 1, 2020, for medical as-  
2       sistance for medicare cost-sharing provided to any  
3       individual under clause (i), (ii), or (iii) of section  
4       1902(a)(10)(E) who would not have been eligible for  
5       medicare cost-sharing under any such clause under  
6       the income or resource eligibility standards in effect  
7       on October 1, 2018.”.

8       (d) CONSOLIDATION OF LOW-INCOME SUBSIDY RE-  
9       SOURCE ELIGIBILITY TESTS.—

10           (1) IN GENERAL.—Section 1860D–14(a)(3) of  
11       the Social Security Act (42 U.S.C. 1395w–  
12       114(a)(3)) is amended—

13                   (A) by striking subparagraph (D);

14                   (B) by redesignating subparagraphs (E)  
15       through (G) as subparagraphs (D) through (F),  
16       respectively; and

17                   (C) in the heading of subparagraph (D), as  
18       so redesignated, by striking “ALTERNATIVE”.

19           (2) CLARIFICATION OF CERTAIN RULES RELAT-  
20       ING TO INCOME AND RESOURCE DETERMINA-  
21       TIONS.—Section 1860D–14(a)(3) of the Social Secu-  
22       rity Act (42 U.S.C. 1395w–114(a)(3)), as amended  
23       by paragraph (1), is amended by striking subpara-  
24       graph (F) and inserting the new following new sub-  
25       paragraphs:



1           “(F) RESOURCE EXCLUSIONS.—In deter-  
2           mining the resources of an individual (and the  
3           eligible spouse of the individual, if any) under  
4           section 1613 for purposes of subparagraph  
5           (D)—

6                   “(i) no part of the value of any life in-  
7                   surance policy shall be taken into account;

8                   “(ii) no part of the value of any vehi-  
9                   cle shall be taken into account; and

10                   “(iii) there shall be excluded an  
11                   amount equal to \$1,500 each with respect  
12                   to any individual or eligible spouse of an  
13                   individual who attests that some of the re-  
14                   sources of such individual or spouse will be  
15                   used to meet the burial and related ex-  
16                   penses of such individual or spouse.

17           “(G) FAMILY SIZE.—In determining the  
18           size of the family of an individual for purposes  
19           of determining the income eligibility of such in-  
20           dividual under this section, an individual’s fam-  
21           ily shall consist of—

22                   “(i) the individual;

23                   “(ii) the individual’s spouse who lives  
24                   in the same household as the individual (if  
25                   any); and

1 “(iii) any other individuals who—  
2 “(I) are related to the individual  
3 whose income eligibility is in question  
4 or such individual’s spouse who lives  
5 in the same household;  
6 “(II) are living in the same  
7 household as such individual; and  
8 “(III) are dependent on such in-  
9 dividual or such individual’s spouse  
10 who is living in the same household  
11 for at least one-half of their financial  
12 support.”.

13 (3) CONFORMING AMENDMENTS.—Section  
14 1860D–14(a) of the Social Security Act (42 U.S.C.  
15 1395w–114(a)) is amended—

16 (A) in paragraph (1), in the matter pre-  
17 ceding subparagraph (A), by inserting “(as de-  
18 termined under paragraph (3)(G))” after “fam-  
19 ily of the size involved”; and

20 (B) in paragraph (3), as amended by para-  
21 graphs (1) and (2)—

22 (i) in subparagraph (A), in the matter  
23 preceding clause (i), by striking “subpara-  
24 graph (F)” and inserting “subparagraph  
25 (E)”;

## 11

1 (ii) in subparagraph (A)(ii), by insert-  
2 ing “(as determined under subparagraph  
3 (G))” after “family of the size involved”;

4 (iii) in subparagraph (A)(iii), by strik-  
5 ing “or (E)”;

6 (iv) in subparagraph (B)(v), in the  
7 matter preceding subclause (I), by striking  
8 “subparagraph (F)” and inserting “sub-  
9 paragraph (E)”;

10 (v) in subparagraph (D)(i), in the  
11 matter preceding subclause (I), by striking  
12 “subject to the life insurance policy exclu-  
13 sion provided under subparagraph (G)”  
14 and inserting “subject to the resource ex-  
15 clusions provided under subparagraph  
16 (F)”.

17 (e) ALIGNMENT OF LOW-INCOME SUBSIDY AND  
18 MEDICARE SAVINGS PROGRAM INCOME AND RESOURCE  
19 ELIGIBILITY TESTS.—

20 (1) APPLICATION OF MEDICAID SPOUSAL IM-  
21 POVERISHMENT RESOURCE ALLOWANCE TO MSP AND  
22 LIS RESOURCE ELIGIBILITY.—

23 (A) IN GENERAL.—Section 1905(p)(1)(C)  
24 of the Social Security Act (42 U.S.C.  
25 1396d(p)(1)(C)) is amended to read as follows:

1           “(C) whose resources (as determined under sec-  
2           tion 1613 for purposes of the supplemental security  
3           income program subject to the resource exclusions  
4           under subparagraph (F) of section 1860D–14(a)(3))  
5           do not exceed—

6                   “(i) in the case of an individual with a  
7                   spouse, an amount equal to the sum of the first  
8                   amount specified in subsection (f)(2)(A)(i) of  
9                   section 1924 (as adjusted under subsection (g)  
10                  of such section) and the amount specified in  
11                  subsection (f)(2)(A)(ii)(II) of such section (as  
12                  so adjusted); or

13                   “(ii) in the case of an individual who does  
14                  not have a spouse, an amount equal to  $\frac{1}{2}$  of  
15                  the amount described in clause (i).”.

16                  (B) APPLICATION TO QDWIS.—Section  
17                  1905(s)(3) of the Social Security Act (42  
18                  U.S.C. 1396d(s)(3)) is amended to read as fol-  
19                  lows:

20                  “(3) whose resources (as determined under sec-  
21                  tion 1613 for purposes of the supplemental security  
22                  income program subject to the resource exclusions  
23                  under subparagraph (F) of section 1860D–14(a)(3))  
24                  do not exceed—

1 “(A) in the case of an individual with a  
2 spouse, the amount in effect for the year under  
3 clause (i) of subsection (p)(1)(C); and

4 “(B) in the case of an individual who does  
5 not have a spouse, the amount in effect for the  
6 year under clause (ii) of subsection (p)(1)(C);  
7 and”.

8 (C) APPLICATION TO LIS.—Clause (i) of  
9 section 1860D–14(a)(3)(D), as redesignated  
10 and amended by subsection (d)(1), is amended  
11 to read as follows:

12 “(i) IN GENERAL.—The resources re-  
13 quirement of this subparagraph is that an  
14 individual’s resources (as determined under  
15 section 1613 for purposes of the supple-  
16 mental security income program subject to  
17 the resource exclusions provided under  
18 subparagraph (F)) do not exceed the  
19 amount in effect for the year under section  
20 1905(p)(1)(C)(ii).”.

21 (f) ENROLLMENT SIMPLIFICATIONS.—

22 (1) APPLICATION OF 3-MONTH RETROACTIVE  
23 ELIGIBILITY TO QMBS.—

24 (A) IN GENERAL.—Section 1902(e)(8) of  
25 the Social Security Act (42 U.S.C. 1396a(e)(8))

1 is amended by striking “after the end of the  
2 month in which the determination first occurs”  
3 and inserting “in or after the third month be-  
4 fore the month in which the individual makes  
5 application for assistance”.

6 (B) CONFORMING AMENDMENT.—Section  
7 1905(a) of the Social Security Act (42 U.S.C.  
8 1396d(a)) is amended, in the matter preceding  
9 paragraph (1), by striking “or, in the case of  
10 medicare cost-sharing with respect to a quali-  
11 fied medicare beneficiary described in sub-  
12 section (p)(1), if provided after the month in  
13 which the individual becomes such a bene-  
14 ficiary”.

15 (2) STATE OPTION FOR 12-MONTH CONTINUOUS  
16 ELIGIBILITY FOR SLMBS AND QWDIS.—Section  
17 1902(e)(12) of the Social Security Act (42 U.S.C.  
18 1396a(e)(12)) is amended—

19 (A) by redesignating subparagraphs (A)  
20 and (B) as clauses (i) and (ii), respectively;

21 (B) by inserting “(A)” after “(12)”; and

22 (C) by adding at the end the following:

23 “(B) At the option of the State, the plan may provide  
24 that an individual who is determined to be eligible for ben-  
25 efits under a State plan approved under this title under

1 any of the following eligibility categories, or who is rede-  
2 termined to be eligible for such benefits under any of such  
3 categories, shall be considered to meet the eligibility re-  
4 quirements met on the date of application and shall re-  
5 main eligible for those benefits until the end of the 12-  
6 month period following the date of the determination or  
7 redetermination of eligibility, except that a State may pro-  
8 vide for such determinations more frequently, but not  
9 more frequently than once every 6 months for an indi-  
10 vidual:

11 “(i) A specified low-income medicare beneficiary  
12 described in subsection (a)(10)(E)(iii) of this section  
13 who is determined eligible for medicare cost sharing  
14 described in section 1905(p)(3)(A)(ii).

15 “(ii) A qualified disabled and working indi-  
16 vidual described in section 1905(s) who is deter-  
17 mined eligible for medicare cost-sharing described in  
18 section 1905(p)(3)(A)(i).”.

19 (3) STATE OPTION TO USE EXPRESS LANE ELI-  
20 GIBILITY FOR THE MEDICARE SAVINGS PROGRAM.—  
21 Section 1902(e)(13)(A) of the Social Security Act  
22 (42 U.S.C. 1396a(e)(13)(A)) is amended by adding  
23 at the end the following new clause:

1 “(iii) STATE OPTION TO EXTEND EX-  
2 PRESS LANE ELIGIBILITY TO OTHER POPU-  
3 LATIONS.—

4 “(I) IN GENERAL.—At the option  
5 of the State, the State may apply the  
6 provisions of this paragraph with re-  
7 spect to determining eligibility under  
8 this title for an eligible individual (as  
9 defined in subclause (II)). In applying  
10 this paragraph in the case of a State  
11 making such an option, any reference  
12 in this paragraph to a child with re-  
13 spect to this title (other than a ref-  
14 erence to child health assistance) shall  
15 be deemed to be a reference to an eli-  
16 gible individual.

17 “(II) ELIGIBLE INDIVIDUAL DE-  
18 FINED.—In this clause, the term ‘eli-  
19 gible individual’ means any of the fol-  
20 lowing:

21 “(aa) A qualified medicare  
22 beneficiary described in section  
23 1905(p)(1) for purposes of deter-  
24 mining eligibility for medicare



1 cost-sharing (as defined in sec-  
2 tion 1905(p)(3)).

3 “(bb) A specified low-income  
4 medicare beneficiary described in  
5 subsection (a)(10)(E)(iii) of this  
6 section for purposes of deter-  
7 mining eligibility for medicare  
8 cost-sharing described in section  
9 1905(p)(3)(A)(ii).

10 “(cc) A qualified disabled  
11 and working individual described  
12 in section 1905(s) for purposes of  
13 determining eligibility for medi-  
14 care cost-sharing described in  
15 section 1905(p)(3)(A)(i).

16 “(dd) During the period  
17 that begins on the date of enact-  
18 ment of this clause and ends on  
19 December 31, 2019, a qualifying  
20 individual described in subsection  
21 (a)(10)(E)(iv) for purposes of de-  
22 termining eligibility for medicare  
23 cost-sharing described in section  
24 1905(p)(3)(A)(ii).”.

25 (g) EFFECTIVE DATE.—

1           (1) IN GENERAL.—Except as provided in para-  
2       graphs (2) and (3), the amendments and repeal  
3       made by this section take effect on January 1, 2020,  
4       and, with respect to title XIX of the Social Security  
5       Act, apply to calendar quarters beginning on or after  
6       January 1, 2020.

7           (2) EXPRESS LANE ELIGIBILITY FOR MSP.—  
8       The amendments made by subsection (f)(3) take ef-  
9       fect on the date of enactment of this Act.

10          (3) EXCEPTION FOR STATE LEGISLATION.—In  
11       the case of a State plan for medical assistance under  
12       title XIX of the Social Security Act which the Sec-  
13       retary of Health and Human Services determines re-  
14       quires State legislation (other than legislation appro-  
15       priating funds) in order for the plan to meet the ad-  
16       ditional requirements imposed by the amendments  
17       and repeal made by this section (other than the  
18       amendments made by subsection (f)(3)), the State  
19       plan shall not be regarded as failing to comply with  
20       the requirements of such title solely on the basis of  
21       its failure to meet these additional requirements be-  
22       fore the first day of the first calendar quarter begin-  
23       ning after the close of the first regular session of the  
24       State legislature that begins after the date of the en-  
25       actment of this Act. For purposes of the previous

1 sentence, in the case of a State that has a 2-year  
2 legislative session, each year of such session shall be  
3 deemed to be a separate regular session of the State  
4 legislature.

5 **SEC. 4. REDUCING MEDICARE COST-SHARING FOR LOW-IN-**  
6 **COME BENEFICIARIES.**

7 (a) IN GENERAL.—Title XVIII of the Social Security  
8 Act (42 U.S.C. 1395 et seq.), as amended by section 2,  
9 is amended by adding at the end the following new section:

10 “REDUCTION IN MEDICARE COST-SHARING FOR LOW-  
11 INCOME BENEFICIARIES

12 “SEC. 1899D. (a) IN GENERAL.—Notwithstanding  
13 any other provision of this title, in the case of items and  
14 services furnished on or after January 1, 2019, to an ap-  
15 plicable low-income individual, the amount of any coinsur-  
16 ance or copayment otherwise applicable to the item or  
17 service under part A or B shall be reduced by 50 percent.

18 “(b) APPLICABLE LOW-INCOME INDIVIDUAL DE-  
19 FINED.—

20 “(1) IN GENERAL.—In this section, the term  
21 ‘applicable low-income individual’ means an indi-  
22 vidual—

23 “(A) entitled to, or enrolled for, benefits  
24 under part A or enrolled in part B;

25 “(B) who is determined to have income  
26 that is greater than 135 percent and less than

1 or equal to 200 percent of the poverty line ap-  
2 plicable to a family of the size involved; and

3 “(C) whose resources (as determined under  
4 section 1613 for purposes of the supplemental  
5 security income program subject to the resource  
6 exclusions provided under section 1860D–  
7 14(a)(3)(F)) do not exceed the amount in effect  
8 for the year under section 1905(p)(1)(C)(ii).

9 “(2) INCOME DETERMINATIONS.—For purposes  
10 of applying this section—

11 “(A) income shall be determined in the  
12 manner described in section 1905(p)(1)(B),  
13 without regard to the application of section  
14 1902(r)(2); and

15 “(B) ‘poverty line’ has the meaning given  
16 such term in section 673(2) of the Community  
17 Services Block Grant Act (42 U.S.C. 9902(2)),  
18 including any revision required by such section.

19 Nothing in subparagraph (A) shall be construed to  
20 affect the application of section 1902(r)(2) for the  
21 determination of eligibility for medical assistance  
22 under title XIX.

23 “(c) ESTABLISHMENT OF PROCEDURES FOR IDENTI-  
24 FICATION OF APPLICABLE LOW-INCOME INDIVIDUALS

1 AND NOTIFICATION OF PROVIDERS OF SERVICES AND  
2 SUPPLIERS.—

3 “(1) IN GENERAL.—The Secretary, in consulta-  
4 tion with the Commissioner of Social Security and  
5 the Secretary of Treasury, shall establish procedures  
6 for—

7 “(A) the determination of whether an indi-  
8 vidual is an applicable low-income individual;  
9 and

10 “(B) the notification of providers of serv-  
11 ices and suppliers in the case where an indi-  
12 vidual is an applicable low-income individual so  
13 that the reduction in any coinsurance or copay-  
14 ment under subsection (a) is applied at the time  
15 the item or service is provided to the applicable  
16 low-income individual.

17 “(2) DETERMINATIONS.—

18 “(A) IN GENERAL.—The provisions of sec-  
19 tion 1860D–14(a)(3)(B)(i) shall apply to the  
20 determination of whether an individual is an  
21 applicable low-income individual under this sec-  
22 tion in the same manner as such provisions  
23 apply to the determination of whether a part D  
24 eligible is a subsidy eligible individual under  
25 section 1860D–14(a)(3)(B)(i).

1                   “(B) EFFECTIVE PERIOD.—Determina-  
2                   tions under this subsection shall be effective for  
3                   a period determined appropriate by the Sec-  
4                   retary.

5           “(d) NO EFFECT ON PAYMENT TO PROVIDERS OF  
6 SERVICES OR SUPPLIERS.—Notwithstanding any other  
7 provision of this title, in the case of an item or service  
8 for which the reduction in coinsurance or copayment under  
9 subsection (a) applies, the amount of payment otherwise  
10 applicable for the item or service under part A or B shall  
11 be increased by the amount of the reduction in coinsur-  
12 ance or copayment under such subsection.”.

13           (b) DISCLOSURE.—Section 6103(l)(7)(D)(ii) of the  
14 Internal Revenue Code of 1986 is amended—

15                   (1) by striking “or subsidies”; and inserting “,  
16                   subsidies”; and

17                   (2) by inserting “, or reduced cost-sharing pro-  
18                   vided under section 1899D” before the period at the  
19                   end.

20 **SEC. 5. IMPROVING MEDICARE BENEFICIARY ENROLL-**  
21 **MENT PROCEDURES AND EFFECTIVE DATES**  
22 **OF COVERAGE.**

23           (a) GENERAL ENROLLMENT PERIOD.—Section  
24 1837(e) of the Social Security Act (42 U.S.C. 1395p(e))  
25 is amended to read as follows:

1       “(e) GENERAL AND SPECIAL ENROLLMENT PERI-  
2 ODS.—

3               “(1) GENERAL ENROLLMENT.—

4                       “(A) FOR COVERAGE DURING YEARS BE-  
5 FORE 2020.—There shall be a general enroll-  
6 ment period during the period beginning on  
7 January 1 and ending on March 31 of each  
8 year before 2020.

9                       “(B) FOR COVERAGE DURING YEARS BE-  
10 GINNING WITH 2020.—Subject to subparagraph  
11 (B), there shall be a general enrollment period  
12 beginning on October 15 and ending on Decem-  
13 ber 31 of 2019 and each subsequent year.

14               “(2) SPECIAL ENROLLMENT.—Beginning Janu-  
15 ary 1, 2020, the Secretary shall establish special en-  
16 rollment periods in the case of individual who meets  
17 such exceptional conditions as the Secretary may  
18 provide.”.

19       (b) EFFECTIVE DATES OF COVERAGE.—

20               (1) IN GENERAL.—Section 1838(a) of the So-  
21 cial Security Act (42 U.S.C. 1395q(a)) is amend-  
22 ed—

23                       (A) by amending paragraph (2) to read as  
24 follows:

1           “(2)(A) in the case of an individual who enrolls  
2           pursuant to subsection (d) of section 1837 before  
3           the month in which he first satisfies paragraph (1)  
4           or (2) of section 1836, the first day of such month,  
5           or

6           “(B) in the case of an individual not described  
7           in subparagraph (A) who first satisfies such para-  
8           graph in a month beginning before January 1, 2020  
9           and who enrolls—

10           “(i) pursuant to such subsection (d) in  
11           such month in which he first satisfies such  
12           paragraph, the first day of the month following  
13           the month in which he so enrolls, or

14           “(ii) pursuant to such subsection (d) in the  
15           month following such month in which he first  
16           satisfies such paragraph, the first day of the  
17           second month following the month in which he  
18           so enrolls, or

19           “(iii) pursuant to such subsection (d) more  
20           than one month following such month in which  
21           he satisfies such paragraph, the first day of the  
22           third month following the month in which he so  
23           enrolls, or



1 “(C) in the case of an individual not described  
2 in subparagraph (A) who enrolls pursuant to sub-  
3 section (e) of section 1837 in a month beginning—

4 “(i) before April 1, 2019, the July 1 fol-  
5 lowing the month in which he so enrolls; or

6 “(ii) on or after October 1, 2019, the first  
7 day of the month following the month in which  
8 he so enrolls; or

9 “(D) in the case of an individual not described  
10 in subparagraph (A) who first satisfies such para-  
11 graph in a month beginning on or after January 1,  
12 2020, and who enrolls pursuant to such subsection  
13 (d) in such month in which he first satisfies such  
14 paragraph or in any subsequent month in the initial  
15 enrollment period, the first day of the month fol-  
16 lowing the month in which he so enrolls; or”; and

17 (B) in paragraph (3), by striking “sub-  
18 paragraphs (B), (C), (D), and (E) of paragraph  
19 (2) of this subsection” and inserting “subpara-  
20 graphs (B) and (C) of paragraph (2), as appli-  
21 cable”.

22 (2) TECHNICAL CORRECTION.—Section 1839(b)  
23 of the Social Security Act (42 U.S.C. 1395r(b)) is  
24 amended, in the second sentence, by striking “close

1 of the enrollment period” each place it appears and  
2 inserting “close of the month”.

3 (c) APPLICATION OF THE PART A LATE ENROLL-  
4 MENT PENALTY TIME LIMITATION PROVISION TO THE  
5 PART B LATE ENROLLMENT PENALTY.—

6 (1) IN GENERAL.—Section 1839(b) of the So-  
7 cial Security Act (42 U.S.C. 1395r(b)) is amended  
8 by adding at the end the following new sentence:  
9 “Any percent increase in an individual’s monthly  
10 premium under the first sentence shall only apply to  
11 premiums paid during a period equal to twice the  
12 number of months in the full 12-month periods de-  
13 scribed in the first sentence.”.

14 (2) CONFORMING AMENDMENT TO THE PART A  
15 LATE ENROLLMENT PENALTY.—Section 1818(c)(6)  
16 of the Social Security Act (42 U.S.C. 1395i–2(c)(6))  
17 is amended by striking “and shall only apply to pre-  
18 miums paid during a period equal to twice the num-  
19 ber of months in the full 12-month periods described  
20 in that section”.

21 (3) EFFECTIVE DATE.—

22 (A) IN GENERAL.—The amendments made  
23 by this section shall take effect on the date of  
24 the enactment of this Act and shall apply to

1 premiums for months beginning on or after  
2 January 1, 2020.

3 (B) COUNTING OF MONTHS.—In applying  
4 the amendment made by paragraph (1), months  
5 (occurring before, during, or after the month  
6 that includes the date of the enactment of this  
7 Act) in which an individual’s monthly premium  
8 is increased under subsection (b) of section  
9 1839 of the Social Security Act (42 U.S.C.  
10 1395r) shall be taken into account in deter-  
11 mining whether the limitation under the last  
12 sentence of such subsection (b), as added by  
13 paragraph (1), is applicable.

14 (d) APPLICATION OF PART B DEEMED ENROLLMENT  
15 PROCESS TO RESIDENTS OF PUERTO RICO; SPECIAL EN-  
16 ROLLMENT PERIOD AND LIMIT ON LATE ENROLLMENT  
17 PENALTIES.—

18 (1) APPLICATION OF PART B DEEMED ENROLL-  
19 MENT PROCESS TO RESIDENTS OF PUERTO RICO.—  
20 Section 1837(f)(3) of the Social Security Act (42  
21 U.S.C. 1395p(f)(3)) is amended by striking “, exclu-  
22 sive of Puerto Rico”.

23 (2) EFFECTIVE DATE.—The amendment made  
24 by paragraph (1) shall apply to individuals whose  
25 initial enrollment period under section 1837(d) of

1 the Social Security Act begins on or after the first  
2 day of the effective month, specified by the Sec-  
3 retary of Health and Human Services under section  
4 1839(j)(1)(C) of such Act, as added by subsection  
5 (c)(2).

6 (3) TRANSITION PROVIDING SPECIAL ENROLL-  
7 MENT PERIOD AND LIMIT ON LATE ENROLLMENT  
8 PENALTIES FOR CERTAIN MEDICARE BENE-  
9 FICIARIES.—Section 1839 of the Social Security Act  
10 (42 U.S.C. 1395r) is amended—

11 (A) in the first sentence of subsection (b),  
12 by inserting “subject to section 1839(j)(2),”  
13 after “subsection (i)(4) or (l) of section 1837,”;  
14 and

15 (B) by adding at the end the following new  
16 subsection:

17 “(j) SPECIAL RULES FOR CERTAIN RESIDENTS OF  
18 PUERTO RICO.—

19 “(1) SPECIAL ENROLLMENT PERIOD, COVERAGE  
20 PERIOD FOR RESIDENTS WHO ARE ELIGIBLE BUT  
21 NOT ENROLLED.—

22 “(A) IN GENERAL.—In the case of a tran-  
23 sition individual (as defined in paragraph (3))  
24 who is not enrolled under this part as of the  
25 day before the first day of the effective month

1 (as defined in subparagraph (C)), the Secretary  
2 shall provide for a special enrollment period  
3 under section 1837 of 7 months beginning with  
4 such effective month during which the indi-  
5 vidual may be enrolled under this part.

6 “(B) COVERAGE PERIOD.—In the case of  
7 such an individual who enrolls during such spe-  
8 cial enrollment period, the coverage period  
9 under section 1838 shall begin on the first day  
10 of the second month after the month in which  
11 the individual enrolls.

12 “(C) EFFECTIVE MONTH DEFINED.—In  
13 this section, the term ‘effective month’ means a  
14 month, not earlier than October 2019 and not  
15 later than January 2020, specified by the Sec-  
16 retary.

17 “(2) REDUCTION IN LATE ENROLLMENT PEN-  
18 ALTIES FOR CURRENT ENROLLEES AND INDIVID-  
19 UALS ENROLLING DURING TRANSITION.—

20 “(A) IN GENERAL.—In the case of a tran-  
21 sition individual who is enrolled under this part  
22 as of the day before the first day of the effec-  
23 tive month or who enrolls under this part on or  
24 after the date of the enactment of this sub-  
25 section but before the end of the special enroll-

1           ment period under paragraph (1)(A), the  
2           amount of the late enrollment penalty imposed  
3           under section 1839(b) shall be recalculated by  
4           reducing the penalty to 15 percent of the pen-  
5           alty otherwise established.

6           “(B) APPLICATION.—Subparagraph (A)  
7           shall be applied in the case of a transition indi-  
8           vidual who—

9                   “(i) is enrolled under this part as of  
10                  the month before the effective month, for  
11                  premiums for months beginning with such  
12                  effective month; or

13                  “(ii) enrolls under this part on or  
14                  after the date of the enactment of this Act  
15                  and before the end of the special enroll-  
16                  ment period under paragraph (1)(A), for  
17                  premiums for months during the coverage  
18                  period under this part which occur during  
19                  or after the effective month.

20           “(C) LOSS OF REDUCTION IF INDIVIDUAL  
21           TERMINATES ENROLLMENT.—Subparagraph  
22           (A) shall not apply to a transition individual if  
23           the individual terminates enrollment under this  
24           part after the end of the special enrollment pe-  
25           riod under paragraph (1).

1           “(3) TRANSITION INDIVIDUAL DEFINED.—In  
2           this section, the term ‘transition individual’ means  
3           an individual who resides in Puerto Rico and who  
4           would have been deemed enrolled under this part  
5           pursuant to section 1837(f) before the first day of  
6           the effective month but for the fact that the indi-  
7           vidual was a resident of Puerto Rico, regardless of  
8           whether the individual is enrolled under this part as  
9           of such first day.”.