

116TH CONGRESS  
1ST SESSION

# S. 470

To amend title XVIII of the Social Security Act to provide for an option for any citizen or permanent resident of the United States age 50 to 64 to buy into Medicare.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 13, 2019

Ms. STABENOW (for herself, Mr. BROWN, Ms. BALDWIN, Mr. BLUMENTHAL, Mr. BOOKER, Mr. CARDIN, Ms. DUCKWORTH, Mr. DURBIN, Ms. HARRIS, Ms. KLOBUCHAR, Mr. LEAHY, Mr. MARKEY, Mr. MERKLEY, Mr. PETERS, Mr. REED, Mrs. SHAHEEN, Ms. SMITH, Mr. WHITEHOUSE, Mrs. GILLIBRAND, and Mr. HEINRICH) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XVIII of the Social Security Act to provide for an option for any citizen or permanent resident of the United States age 50 to 64 to buy into Medicare.

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 “Medicare at 50 Act”.

1 **SEC. 2. MEDICARE BUY-IN OPTION FOR INDIVIDUALS 50 TO**  
 2 **64 YEARS OF AGE.**

3 (a) IN GENERAL.—Title XVIII of the Social Security  
 4 Act (42 U.S.C. 1395c et seq.) is amended by adding at  
 5 the end the following new section:

6 “MEDICARE BUY-IN OPTION FOR INDIVIDUALS 50 TO 64  
 7 YEARS OF AGE

8 “SEC. 1899C. (a) OPTION.—

9 “(1) IN GENERAL.—Every individual who meets  
 10 the requirements described in paragraph (3) shall be  
 11 eligible to enroll under this section.

12 “(2) PART A, B, AND D BENEFITS AND PROTEC-  
 13 TIONS.—An individual enrolled under this section is  
 14 entitled to the same benefits (and shall receive the  
 15 same protections) under this title as an individual  
 16 who is entitled to benefits under part A and enrolled  
 17 under parts B and D, including the ability to enroll  
 18 in a Medicare Advantage plan that provides qualified  
 19 prescription drug coverage (an MA–PD plan) and  
 20 including access to the Medicare Beneficiary Om-  
 21 budsman under section 1808(c).

22 “(3) REQUIREMENTS FOR ELIGIBILITY.—The  
 23 requirements described in this paragraph are the fol-  
 24 lowing:

1           “(A) AGE.—The individual has attained 50  
2           years of age, but has not attained 65 years of  
3           age.

4           “(B) MEDICARE ELIGIBILITY (BUT FOR  
5           AGE).—The individual is not otherwise entitled  
6           to benefits under part A or eligible to enroll  
7           under part A or part B but would be eligible for  
8           benefits under part A or part B if the indi-  
9           vidual were 65 years of age.

10          “(b) ENROLLMENT AND COVERAGE PERIODS.—

11           “(1) IN GENERAL.—The Secretary shall estab-  
12           lish enrollment and coverage periods for individuals  
13           who enroll under this section.

14           “(2) COORDINATION.—Such periods shall be es-  
15           tablished in coordination with the enrollment and  
16           coverage periods for plans offered under an Ex-  
17           change established under title I of the Patient Pro-  
18           tection and Affordable Care Act and plans under  
19           parts C and D. If the Secretary determines appro-  
20           priate, the Secretary may expand such enrollment  
21           periods beyond the enrollment periods under such an  
22           Exchange or under parts C and D.

23           “(3) BEGINNING OF COVERAGE AND SPECIAL  
24           ENROLLMENT PERIODS.—The Secretary shall estab-  
25           lish such periods so that coverage under this section

1 shall first begin on January 1 of the first year be-  
2 ginning at least one year after the date of the enact-  
3 ment of this section and shall include special enroll-  
4 ment periods, in accordance with section 155.420 of  
5 title 45 of the Code of Federal Regulations, that are  
6 applicable to qualified health plans offered through  
7 an Exchange.

8 “(c) PREMIUM.—

9 “(1) AMOUNT OF MONTHLY PREMIUMS.—The  
10 Secretary shall (beginning for the first year that be-  
11 gins more than 1 year after the date of the enact-  
12 ment of this section), during September of the pre-  
13 ceding year, determine a monthly premium for all  
14 individuals enrolled under this section. Such monthly  
15 premium shall be equal to  $\frac{1}{12}$  of the annual pre-  
16 mium computed under paragraph (2)(B), which  
17 shall apply with respect to coverage provided under  
18 this section for any month in the succeeding year.

19 “(2) ANNUAL PREMIUM.—

20 “(A) COMBINED PER CAPITA AVERAGE FOR  
21 ALL MEDICARE BENEFITS.—The Secretary shall  
22 estimate the average, annual per capita amount  
23 for benefits and administrative expenses that  
24 will be payable under parts A, B, and D (in-

1 including, as applicable, under part C) in the year  
2 for all individuals enrolled under this section.

3 “(B) ANNUAL PREMIUM.—The annual pre-  
4 mium under this subsection for months in a  
5 year is equal to the average, annual per capita  
6 amount estimated under subparagraph (A) for  
7 the year.

8 “(3) INCREASED PREMIUM FOR CERTAIN PART  
9 C AND D PLANS.—Nothing in this section shall pre-  
10 clude an individual from choosing a Medicare Advan-  
11 tage plan or a prescription drug plan that requires  
12 the individual to pay an additional amount (because  
13 of supplemental benefits or because it is a more ex-  
14 pensive plan). In such case the individual would be  
15 responsible for the increased monthly premium.

16 “(d) PAYMENT OF PREMIUMS.—

17 “(1) IN GENERAL.—Premiums for enrollment  
18 under this section shall be paid to the Secretary at  
19 such times, and in such manner, as the Secretary  
20 determines appropriate.

21 “(2) DEPOSIT INTO MEDICARE BUY-IN TRUST  
22 FUND.—Amounts collected by the Secretary under  
23 this section shall be deposited in the Medicare Buy-  
24 In Trust Fund established under paragraph (3).

25 “(3) MEDICARE BUY-IN TRUST FUND.—

1           “(A) IN GENERAL.—There is hereby cre-  
2           ated on the books of the Treasury of the United  
3           States a trust fund to be known as the ‘Medi-  
4           care Buy-In Trust Fund’ (in this paragraph re-  
5           ferred to as the ‘Trust Fund’). The Trust Fund  
6           shall consist of such gifts and bequests as may  
7           be made as provided in section 201(i)(1) and  
8           such amounts as may be deposited in, or appro-  
9           priated to, such fund as provided in this title.

10           “(B) INCORPORATION OF PROVISIONS.—  
11           Subsections (b) through (i) of section 1841  
12           shall apply with respect to the Trust Fund and  
13           this title in the same manner as they apply with  
14           respect to the Federal Supplementary Medical  
15           Insurance Trust Fund and part B, respectively,  
16           except that in applying such section 1841, any  
17           reference in such section to ‘this part’ shall be  
18           construed to be a reference to this section and  
19           any reference in section 1841(h) to section  
20           1840(d) and in section 1841(i) to sections  
21           1840(b)(1) and 1842(g) are deemed to be ref-  
22           erences to comparable authority exercised under  
23           this section.

24           “(e) NOT ELIGIBLE FOR MEDICARE COST-SHARING  
25           ASSISTANCE.—An individual enrolled under this section

1 shall not be treated as enrolled under any part of this title  
2 for purposes of obtaining medical assistance for Medicare  
3 cost-sharing or otherwise under title XIX.

4 “(f) ELIGIBILITY FOR FINANCIAL ASSISTANCE.—

5 “(1) IN GENERAL.—Individuals enrolled in cov-  
6 erage under this section shall, from amounts trans-  
7 ferred under paragraph (2), receive financial assist-  
8 ance for such coverage that is substantially similar  
9 to the assistance the individual would have received  
10 if the individual were enrolled in a qualified health  
11 plan through an Exchange.

12 “(2) TRANSFER OF FUNDS TO MEDICARE BUY-  
13 IN TRUST FUND.—

14 “(A) IN GENERAL.—The Secretary shall  
15 transfer to the Medicare Buy-In Trust Fund  
16 under subsection (d)(3) for each plan year the  
17 amount determined under paragraph (C) for  
18 such year.

19 “(B) USE OF FUNDS.—The amounts  
20 transferred to the Medicare Buy-In Trust Fund  
21 under subparagraph (A) shall only be used to  
22 reduce the premiums and cost-sharing for cov-  
23 erage under this section of individuals enrolled  
24 under such coverage who would be eligible for  
25 cost-sharing reductions under section 1402 of

1 the Patient Protection and Affordable Care Act  
2 and premium assistance under section 36B of  
3 the Internal Revenue Code of 1986 if such indi-  
4 vidual were enrolled in a qualified health plan.

5 “(C) AMOUNT OF TRANSFER.—

6 “(i) IN GENERAL.—The amount de-  
7 termined under this subparagraph for any  
8 plan year is the aggregate amount the Sec-  
9 retary determines is equal to 100 percent  
10 of the premium tax credits under section  
11 36B of the Internal Revenue Code of  
12 1986, and 100 percent of the cost-sharing  
13 reductions under section 1402 of the Pa-  
14 tient Protection and Affordable Care Act,  
15 that would have been provided for the plan  
16 year to eligible individuals who meet speci-  
17 fied income criteria and are enrolled for  
18 such plan year in coverage provided  
19 through enrollment under this section if  
20 such individuals were enrolled for such  
21 year in a qualified health plan through an  
22 Exchange.

23 “(ii) SPECIFIC REQUIREMENTS.—The  
24 Secretary shall make the determination  
25 under clause (i) on a per enrollee basis and



1 shall take into account all relevant factors  
2 necessary to determine the value of the  
3 premium tax credits and cost-sharing re-  
4 ductions that would have been provided to  
5 eligible individuals described in section  
6 1331 of the Patient Protection and Afford-  
7 able Care Act, including the age and in-  
8 come of the enrollee, geographic differences  
9 in average spending for health care across  
10 rating areas, the health status of the en-  
11 rollee for purposes of determining risk ad-  
12 justment payments and reinsurance pay-  
13 ments that would have been made if the  
14 enrollee had enrolled in a qualified health  
15 plan through an Exchange, and whether  
16 any reconciliation of the credit or cost-  
17 sharing reductions would have occurred if  
18 the enrollee had been so enrolled. This de-  
19 termination shall take into consideration  
20 the experience of other States with respect  
21 to participation in an Exchange and such  
22 credits and reductions provided to resi-  
23 dents of the other States, with a special  
24 focus on enrollees with income below 200  
25 percent of poverty.

1 “(D) CERTIFICATION.—

2 “(i) IN GENERAL.—The Chief Actuary  
3 of the Centers for Medicare & Medicaid  
4 Services, in consultation with the Office of  
5 Tax Analysis of the Department of the  
6 Treasury, shall certify whether the method-  
7 ology used to make determinations under  
8 subparagraph (C), and such determina-  
9 tions, meet the requirements of this para-  
10 graph.

11 “(ii) CORRECTIONS.—The Secretary  
12 shall adjust the payment to the Trust  
13 Fund for any plan year to reflect any error  
14 in the determinations under subparagraph  
15 (C) for any preceding plan year.

16 “(iii) APPLICATION.—Coverage pro-  
17 vided through enrollment under this part  
18 and parts B and D pursuant to this sec-  
19 tion shall be treated as coverage under a  
20 qualified health plan in the silver level of  
21 coverage in the individual market offered  
22 through an Exchange and the Secretary  
23 shall be treated as the issuer of such plan.

24 “(g) TREATMENT IN RELATION TO THE AFFORD-  
25 ABLE CARE ACT.—

1           “(1) SATISFACTION OF INDIVIDUAL MAN-  
2           DATE.—For purposes of applying section 5000A of  
3           the Internal Revenue Code of 1986, the coverage  
4           provided under this section constitutes minimum es-  
5           sential coverage under subsection (f)(1)(A)(i) of  
6           such section 5000A.

7           “(2) ELIGIBILITY FOR PREMIUM ASSISTANCE.—  
8           Coverage provided under this section—

9                   “(A) shall be treated as coverage under a  
10                   qualified health plan in the individual market  
11                   enrolled in through the Exchange where the in-  
12                   dividual resides for all purposes of section 36B  
13                   of the Internal Revenue Code of 1986 other  
14                   than subsection (c)(2)(B) thereof; and

15                   “(B) shall not be treated as eligibility for  
16                   other minimum essential coverage for purposes  
17                   of subsection (c)(2)(B) of such section 36B.

18           The Secretary shall determine the applicable second  
19           lowest cost silver plan which shall apply to coverage  
20           under this section for purposes of determining the  
21           premium assistance amount under section 36B(b)(2)  
22           of such Code. Notwithstanding the preceding sen-  
23           tences, in determining the applicable second lowest  
24           cost silver plan with respect to any taxpayer under  
25           section 36B(b)(3)(B) of such Code, coverage pro-

1 vided under this section shall not be taken into ac-  
2 count as a silver plan of the individual market.

3 “(3) ELIGIBILITY FOR COST-SHARING REDUC-  
4 TIONS.—For purposes of applying section 1402 of  
5 the Patient Protection and Affordable Care Act (42  
6 U.S.C. 18071)—

7 “(A) coverage provided under this section  
8 shall be treated as coverage under a qualified  
9 health plan in the silver level of coverage in the  
10 individual market offered through an Exchange;  
11 and

12 “(B) the Secretary shall be treated as the  
13 issuer of such plan.

14 “(4) MEDICAID MANAGED CARE.—States are  
15 prohibited from buying their Medicaid beneficiaries  
16 ages 50 to 64 into Medicare under this section, and  
17 individuals otherwise eligible for enrollment under a  
18 State plan under title XIX are prohibited from cov-  
19 erage under this title pursuant to enrollment under  
20 this section. The preceding sentence shall not apply  
21 to Medicaid beneficiaries whose Medicaid coverage or  
22 eligibility does not meet the definition of minimum  
23 essential coverage under a government-sponsored  
24 program under section 1.5000A–2 of title 26, Code  
25 of Federal Regulations (or any successor regulation).

1       “(h) GUARANTEED ISSUE OF MEDIGAP POLICIES  
 2 UPON FIRST ENROLLMENT AND EACH SUBSEQUENT EN-  
 3 ROLLMENT.—In the case of an individual who enrolls  
 4 under this section (including an individual who was pre-  
 5 viously enrolled under this section), paragraphs (2)(A),  
 6 (2)(D), (3)(B)(ii), and (3)(B)(vi) of section 1882(s)—

7           “(1) shall be applied by substituting ‘50’ for  
 8       ‘65’;

9           “(2) if the individual was enrolled under this  
 10 section and subsequently disenrolls, shall apply each  
 11 time the individual subsequently reenrolls under this  
 12 section as if the individual had attained 50 years of  
 13 age on the date of such reenrollment (and as if the  
 14 individual had never previously enrolled in a Medi-  
 15 care supplemental policy); and

16           “(3) shall be applied as if this section had not  
 17 been enacted (and as if the individual had never pre-  
 18 viously enrolled in a Medicare supplemental policy)  
 19 when the individual attains 65 years of age.

20       “(i) OVERSIGHT.—There is established an advisory  
 21 committee to be known as the ‘Medicare Buy In Oversight  
 22 Board’ to monitor and oversee the implementation of this  
 23 section, including the experience of the individuals enroll-  
 24 ing under this section. The Medicare Buy In Oversight  
 25 Board shall make periodic recommendations for the con-

1 tinal improvement of the implementation of this section  
2 as well as the relationship of enrollment under this section  
3 to other health care programs.

4 “(j) OUTREACH AND ENROLLMENT.—

5 “(1) IN GENERAL.—During the period that be-  
6 gins on January 1, 2019, and ends on December 31,  
7 2021, the Secretary shall award grants to eligible  
8 entities for the following purposes:

9 “(A) OUTREACH AND ENROLLMENT.—To  
10 carry out outreach, public education activities,  
11 and enrollment activities to raise awareness of  
12 the availability of, and encourage, enrollment  
13 under this section.

14 “(B) ASSISTING INDIVIDUALS’ TRANSITION  
15 UNDER THIS SECTION.—To provide assistance  
16 to individuals to enroll under this section.

17 “(C) RAISING AWARENESS OF PREMIUM  
18 ASSISTANCE AND COST-SHARING REDUC-  
19 TIONS.—To distribute fair and impartial infor-  
20 mation concerning enrollment under this section  
21 and the availability of premium assistance tax  
22 credits under section 36B of the Internal Rev-  
23 enue Code of 1986 and cost-sharing reductions  
24 under section 1402 of the Patient Protection  
25 and Affordable Care Act, and to assist eligible

1 individuals in applying for such tax credits and  
2 cost-sharing reductions.

3 “(2) ELIGIBLE ENTITIES.—

4 “(A) IN GENERAL.—In this subsection, the  
5 term ‘eligible entity’ means—

6 “(i) a State; or

7 “(ii) a nonprofit community-based or-  
8 ganization.

9 “(B) ENROLLMENT AGENTS.—Such term  
10 includes a licensed independent insurance agent  
11 or broker that has an arrangement with a State  
12 or nonprofit community-based organization to  
13 enroll eligible individuals under this section.

14 “(C) EXCLUSIONS.—Such term does not  
15 include an entity that—

16 “(i) is a health insurance issuer; or

17 “(ii) receives any consideration, either  
18 directly or indirectly, from any health in-  
19 surance issuer in connection with the en-  
20 rollment of any individuals under this sec-  
21 tion.

22 “(3) PRIORITY.—In awarding grants under this  
23 subsection, the Secretary shall give priority to  
24 awarding grants to States or eligible entities in  
25 States that have geographic rating areas at risk of

1       having no qualified health plans in the individual  
2       market.

3               “(4) FUNDING.—For purposes of carrying out  
4       this subsection, there is appropriated to the Sec-  
5       retary, out of any moneys in the Treasury not other-  
6       wise appropriated, \$500,000,000 for calendar year  
7       2019 and for each subsequent calendar year.

8               “(k) NO EFFECT ON BENEFITS FOR INDIVIDUALS  
9       OTHERWISE ELIGIBLE OR ON TRUST FUNDS.—The Sec-  
10      retary shall implement the provisions of this section in  
11      such a manner to ensure that such provisions—

12              “(1) have no effect on the benefits under this  
13      title for individuals who are entitled to, or enrolled  
14      for, such benefits other than through this section;  
15      and

16              “(2) have no negative impact on the Federal  
17      Hospital Insurance Trust Fund or the Federal Sup-  
18      plementary Medical Insurance Trust Fund (includ-  
19      ing the Medicare Prescription Drug Account within  
20      such Trust Fund).

21              “(l) CONSULTATION.—In promulgating regulations  
22      to implement this section, the Secretary shall consult with  
23      interested parties, including groups representing bene-  
24      ficiaries, health care providers, employers, and insurance  
25      companies.”.



1 **SEC. 3. AUTHORITY TO NEGOTIATE FAIR PRICES FOR MEDI-**  
2 **CARE PRESCRIPTION DRUGS.**

3 (a) **IN GENERAL.**—Section 1860D–11 of the Social  
4 Security Act (42 U.S.C. 1395w–111) is amended by strik-  
5 ing subsection (i).

6 (b) **EFFECTIVE DATE.**—The amendment made by  
7 this section shall take effect on the date of the enactment  
8 of this Act.

○