

the motion and the Majority Leader, or their designees, except that in the event the Majority Leader is in favor of such motion, the time in opposition thereto shall be controlled by the Minority Leader or the Minority Leader's designee. A point of order under this subsection may be made at any time. It is not in order to move to proceed to another measure or matter while such motion (or the motion to reconsider such motion) is pending.

(3) AMENDMENTS.—No amendment to the motion to discharge shall be in order.

(4) EXCEPTION IF CERTIFIED LEGISLATION ENACTED.—Notwithstanding paragraph (1), it shall not be in order to discharge the Committee from further consideration of medicare funding legislation pursuant to this subsection during a session of a Congress if the chairman of the Committee on the Budget of the Senate certifies that medicare funding legislation has been enacted that eliminates excess general revenue medicare funding (as defined in section 801(c)) for each fiscal year in the 7-fiscal-year reporting period.

(e) CONSIDERATION.—After the date on which the Committee on Finance has reported medicare funding legislation described in subsection (c)(1), or has been discharged (under subsection (d)) from further consideration of, such legislation, it is in order (even though a previous motion to the same effect has been disagreed to) for any Member of the Senate to move to proceed to the consideration of such legislation.

(f) RULES OF THE SENATE.—This section is enacted by the Senate—

(1) as an exercise of the rulemaking power of the Senate and as such it is deemed a part of the rules of the Senate, but applicable only with respect to the procedure to be followed in the Senate in the case of a bill described in this paragraph, and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of the Senate to change the rules (so far as relating to the procedure of the Senate) at any time, in the same manner, and to the same extent as in the case of any other rule of the Senate.

## **Subtitle B—Income-Related Reduction in Part B Premium Subsidy**

### **SEC. 811. INCOME-RELATED REDUCTION IN PART B PREMIUM SUBSIDY.**

(a) IN GENERAL.—Section 1839 (42 U.S.C. 1395r), as amended by section 241(c), is amended by adding at the end the following:

“(i) REDUCTION IN PREMIUM SUBSIDY BASED ON INCOME.—

“(1) IN GENERAL.—In the case of an individual whose modified adjusted gross income exceeds the threshold amount under paragraph (2), the monthly amount of the premium subsidy applicable to the premium under this section for a month after December 2006 shall be reduced (and the monthly premium shall be increased) by the monthly adjustment amount specified in paragraph (3).

“(2) THRESHOLD AMOUNT.—For purposes of this subsection, the threshold amount is—

“(A) except as provided in subparagraph (B), \$80,000, and

“(B) in the case of a joint return, twice the amount applicable under subparagraph (A) for the calendar year.

“(3) MONTHLY ADJUSTMENT AMOUNT.—

“(A) IN GENERAL.—Subject to subparagraph (B), the monthly adjustment amount specified in this paragraph for an individual for a month in a year is equal to the product of the following:

“(i) SLIDING SCALE PERCENTAGE.—The applicable percentage specified in the table in subparagraph (C) for the individual minus 25 percentage points.

“(ii) UNSUBSIDIZED PART B PREMIUM AMOUNT.—200 percent of the monthly actuarial rate for enrollees age 65 and over (as determined under subsection (a)(1) for the year).

“(B) 5-YEAR PHASE IN.—The monthly adjustment amount specified in this paragraph for an individual for a month in a year before 2011 is equal to the following percentage of the monthly adjustment amount specified in subparagraph (A):

“(i) For 2007, 20 percent.

“(ii) For 2008, 40 percent.

“(iii) For 2009, 60 percent.

“(iv) for 2010, 80 percent.

“(C) APPLICABLE PERCENTAGE.—

“(i) IN GENERAL.—

**“If the modified adjusted gross income is:**

|   | <b>The applicable percentage is:</b> |
|---|--------------------------------------|
| More than \$80,000 but not more than \$100,000 .....  | 35 percent                           |
| More than \$100,000 but not more than \$150,000 ..... | 50 percent                           |
| More than \$150,000 but not more than \$200,000 ..... | 65 percent                           |
| More than \$200,000 .....                             | 80 percent.                          |

“(ii) JOINT RETURNS.—In the case of a joint return, clause (i) shall be applied by substituting dollar amounts which are twice the dollar amounts otherwise applicable under clause (i) for the calendar year.

“(iii) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—In the case of an individual who—

“(I) is married as of the close of the taxable year (within the meaning of section 7703 of the Internal Revenue Code of 1986) but does not file a joint return for such year, and

“(II) does not live apart from such individual’s spouse at all times during the taxable year,

Applicability.

clause (i) shall be applied by reducing each of the dollar amounts otherwise applicable under such clause for the calendar year by the threshold amount for such year applicable to an unmarried individual.

“(4) MODIFIED ADJUSTED GROSS INCOME.—

“(A) IN GENERAL.—For purposes of this subsection, the term ‘modified adjusted gross income’ means adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986)—

“(i) determined without regard to sections 135, 911, 931, and 933 of such Code; and

“(ii) increased by the amount of interest received or accrued during the taxable year which is exempt from tax under such Code.

In the case of an individual filing a joint return, any reference in this subsection to the modified adjusted gross income of such individual shall be to such return’s modified adjusted gross income.

“(B) TAXABLE YEAR TO BE USED IN DETERMINING MODIFIED ADJUSTED GROSS INCOME.—

“(i) IN GENERAL.—In applying this subsection for an individual’s premiums in a month in a year, subject to clause (ii) and subparagraph (C), the individual’s modified adjusted gross income shall be such income determined for the individual’s last taxable year beginning in the second calendar year preceding the year involved.

“(ii) TEMPORARY USE OF OTHER DATA.—If, as of October 15 before a calendar year, the Secretary of the Treasury does not have adequate data for an individual in appropriate electronic form for the taxable year referred to in clause (i), the individual’s modified adjusted gross income shall be determined using the data in such form from the previous taxable year. Except as provided in regulations prescribed by the Commissioner of Social Security in consultation with the Secretary, the preceding sentence shall cease to apply when adequate data in appropriate electronic form are available for the individual for the taxable year referred to in clause (i), and proper adjustments shall be made to the extent that the premium adjustments determined under the preceding sentence were inconsistent with those determined using such taxable year.

Termination date.

Regulations.

“(iii) NON-FILERS.—In the case of individuals with respect to whom the Secretary of the Treasury does not have adequate data in appropriate electronic form for either taxable year referred to in clause (i) or clause (ii), the Commissioner of Social Security, in consultation with the Secretary, shall prescribe regulations which provide for the treatment of the premium adjustment with respect to such individual under this subsection, including regulations which provide for—

“(I) the application of the highest applicable percentage under paragraph (3)(C) to such individual if the Commissioner has information which indicates that such individual’s modified adjusted gross income might exceed the threshold amount for the taxable year referred to in clause (i), and

“(II) proper adjustments in the case of the application of an applicable percentage under subclause (I) to such individual which is inconsistent with such individual’s modified adjusted gross income for such taxable year.

“(C) USE OF MORE RECENT TAXABLE YEAR.—

“(i) IN GENERAL.—The Commissioner of Social Security in consultation with the Secretary of the Treasury shall establish a procedures under which an

individual's modified adjusted gross income shall, at the request of such individual, be determined under this subsection—

“(I) for a more recent taxable year than the taxable year otherwise used under subparagraph (B), or

“(II) by such methodology as the Commissioner, in consultation with such Secretary, determines to be appropriate, which may include a methodology for aggregating or disaggregating information from tax returns in the case of marriage or divorce.

“(ii) STANDARD FOR GRANTING REQUESTS.—A request under clause (i)(I) to use a more recent taxable year may be granted only if—

“(I) the individual furnishes to such Commissioner with respect to such year such documentation, such as a copy of a filed Federal income tax return or an equivalent document, as the Commissioner specifies for purposes of determining the premium adjustment (if any) under this subsection; and

“(II) the individual's modified adjusted gross income for such year is significantly less than such income for the taxable year determined under subparagraph (B) by reason of the death of such individual's spouse, the marriage or divorce of such individual, or other major life changing events specified in regulations prescribed by the Commissioner in consultation with the Secretary.

“(5) INFLATION ADJUSTMENT.—

“(A) IN GENERAL.—In the case of any calendar year beginning after 2007, each dollar amount in paragraph (2) or (3) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the percentage (if any) by which the average of the Consumer Price Index for all urban consumers (United States city average) for the 12-month period ending with August of the preceding calendar year exceeds such average for the 12-month period ending with August 2006.

“(B) ROUNDING.—If any dollar amount after being increased under subparagraph (A) is not a multiple of \$1,000, such dollar amount shall be rounded to the nearest multiple of \$1,000.

“(6) JOINT RETURN DEFINED.—For purposes of this subsection, the term ‘joint return’ has the meaning given to such term by section 7701(a)(38) of the Internal Revenue Code of 1986.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 1839 (42 U.S.C. 1395r) is amended—

(A) in subsection (a)(2), by striking “and (f)” and inserting “(f), and (i)”;

(B) in subsection (b), inserting “(without regard to any adjustment under subsection (i))” after “subsection (a)”;

and

(C) in subsection (f)—

- (i) by striking “and if” and inserting “if”; and
  - (ii) by inserting “and if the amount of the individual’s premium is not adjusted for such January under subsection (i),” after “section 1840(b)(1).”.
- (2) Section 1844 (42 U.S.C. 1395w) is amended—

(A) in subsection (a)(1)—

(i) in subparagraph (B), by striking “plus” at the end and inserting “minus”; and

(ii) by adding at the end the following new subparagraph:

“(C) the aggregate amount of additional premium payments attributable to the application of section 1839(i); plus”; and

(B) in subsection (c), by inserting before the period at the end the following: “and without regard to any premium adjustment under section 1839(i)”.

26 USC 6103.

(c) REPORTING REQUIREMENTS FOR SECRETARY OF THE TREASURY.—

(1) IN GENERAL.—Subsection (l) of section 6103 of the Internal Revenue Code of 1986 (relating to disclosure of returns and return information for purposes other than tax administration), as amended by section 105(e), is amended by adding at the end the following new paragraph:

“(20) DISCLOSURE OF RETURN INFORMATION TO CARRY OUT MEDICARE PART B PREMIUM SUBSIDY ADJUSTMENT.—

“(A) IN GENERAL.—The Secretary shall, upon written request from the Commissioner of Social Security, disclose to officers, employees, and contractors of the Social Security Administration return information of a taxpayer whose premium (according to the records of the Secretary) may be subject to adjustment under section 1839(i) of the Social Security Act. Such return information shall be limited to—

“(i) taxpayer identity information with respect to such taxpayer,

“(ii) the filing status of such taxpayer,

“(iii) the adjusted gross income of such taxpayer,

“(iv) the amounts excluded from such taxpayer’s gross income under sections 135 and 911 to the extent such information is available,

“(v) the interest received or accrued during the taxable year which is exempt from the tax imposed by chapter 1 to the extent such information is available,

“(vi) the amounts excluded from such taxpayer’s gross income by sections 931 and 933 to the extent such information is available,

“(vii) such other information relating to the liability of the taxpayer as is prescribed by the Secretary by regulation as might indicate in the case of a taxpayer who is an individual described in subsection (i)(4)(B)(iii) of section 1839 of the Social Security Act that the amount of the premium of the taxpayer under such section may be subject to adjustment under subsection (i) of such section and the amount of such adjustment, and

“(viii) the taxable year with respect to which the preceding information relates.

“(B) RESTRICTION ON USE OF DISCLOSED INFORMATION.—Return information disclosed under subparagraph

(A) may be used by officers, employees, and contractors of the Social Security Administration only for the purposes of, and to the extent necessary in, establishing the appropriate amount of any premium adjustment under such section 1839(i).”

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (3) of section 6103(a) of such Code, as amended by section 105(e)(1), is amended by striking “or (19)” and inserting “(19), or (20)”. 26 USC 6103.

(B) Paragraph (4) of section 6103(p) of such Code, as amended by section 105(e)(3), is amended by striking “(1)(16), (17), or (19)” each place it appears and inserting “(1)(16), (17), (19), or (20)”.

(C) Paragraph (2) of section 7213(a) of such Code, as amended by section 105(e)(4), is amended by striking “or (19)” and inserting “(19), or (20)”. 26 USC 7213.

## TITLE IX—ADMINISTRATIVE IMPROVEMENTS, REGULATORY REDUCTION, AND CONTRACTING REFORM

### SEC. 900. ADMINISTRATIVE IMPROVEMENTS WITHIN THE CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS).

(a) COORDINATED ADMINISTRATION OF MEDICARE PRESCRIPTION DRUG AND MEDICARE ADVANTAGE PROGRAMS.—Title XVIII (42 U.S.C. 1395 et seq.), as amended by section 721, is amended by inserting after 1807 the following new section: Establishment.

#### “PROVISIONS RELATING TO ADMINISTRATION

“SEC. 1808. (a) COORDINATED ADMINISTRATION OF MEDICARE PRESCRIPTION DRUG AND MEDICARE ADVANTAGE PROGRAMS.— 42 USC 1395b–9.

“(1) IN GENERAL.—There is within the Centers for Medicare & Medicaid Services a center to carry out the duties described in paragraph (3).

“(2) DIRECTOR.—Such center shall be headed by a director who shall report directly to the Administrator of the Centers for Medicare & Medicaid Services.

“(3) DUTIES.—The duties described in this paragraph are the following:

“(A) The administration of parts C and D.

“(B) The provision of notice and information under section 1804.

“(C) Such other duties as the Secretary may specify.

“(4) DEADLINE.—The Secretary shall ensure that the center is carrying out the duties described in paragraph (3) by not later than January 1, 2008.”.

(b) MANAGEMENT STAFF FOR THE CENTERS FOR MEDICARE & MEDICAID SERVICES.—Such section is further amended by adding at the end the following new subsection:

“(b) EMPLOYMENT OF MANAGEMENT STAFF.—

“(1) IN GENERAL.—The Secretary may employ, within the Centers for Medicare & Medicaid Services, such individuals as management staff as the Secretary determines to be appropriate. With respect to the administration of parts C and D,