

110TH CONGRESS  
1ST SESSION

# H. R. 2987

To require the establishment of regional consumer price indices to compute cost-of-living increases under the programs for Social Security and Medicare and other medical benefits under titles II and XVIII of the Social Security Act.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 10, 2007

Mr. WEINER 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 Labor, 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

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## A BILL

To require the establishment of regional consumer price indices to compute cost-of-living increases under the programs for Social Security and Medicare and other medical benefits under titles II and XVIII of the Social Security Act.

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 “COLA Fairness Act  
5 of 2007”.

1 **SEC. 2. REGIONAL CONSUMER PRICE INDEX.**

2 (a) RECOGNITION OF REGIONS.—The Bureau of  
3 Labor Statistics of the Department of Labor shall estab-  
4 lish and publish a mapping of the United States under  
5 which 14 regions are recognized comprising the United  
6 States. Each region shall include one of the cities listed  
7 in subsection (b).

8 (b) SPECIFIED CITIES.—The cities specified in this  
9 subsection are the following:

- 10 (1) Atlanta, Georgia;
- 11 (2) Boston, Massachusetts;
- 12 (3) Chicago, Illinois;
- 13 (4) Cleveland, Ohio;
- 14 (5) Dallas, Texas;
- 15 (6) Detroit, Michigan;
- 16 (7) Philadelphia, Pennsylvania;
- 17 (8) Houston, Texas;
- 18 (9) Los Angeles, California;
- 19 (10) Miami, Florida;
- 20 (11) New York, New York;
- 21 (12) San Francisco, California;
- 22 (13) Seattle, Washington; and
- 23 (14) Washington, District of Columbia.

24 (c) ESTABLISHMENT OF REGIONAL CONSUMER  
25 PRICE INDICES.—The Bureau shall establish and publish  
26 for each region recognized pursuant to subsection (a) a

1 monthly index for the region, to be known as the “Re-  
2 gional Consumer Price Index” for the region, that indi-  
3 cates changes over time in expenditures for consumption  
4 which are typical for individuals residing in the region.

5 (d) EFFECTIVE DATE.—The preceding provisions of  
6 this section shall apply with respect to calendar months  
7 beginning on or after January 1, 2008.

8 (e) AUTHORIZATION OF APPROPRIATIONS.—There  
9 are authorized to be appropriated such sums as are nec-  
10 essary to carry out the provisions of this section.

11 **SEC. 3. COMPUTATION OF SOCIAL SECURITY COST-OF-LIV-**  
12 **ING INCREASES.**

13 (a) AMENDMENTS TO TITLE II.—

14 (1) IN GENERAL.—Section 215(i) of the Social  
15 Security Act (42 U.S.C. 415(i)) is amended—

16 (A) in paragraph (1)(G), by inserting be-  
17 fore the period the following: “, and, with re-  
18 spect to an individual who, at the time he ini-  
19 tially becomes eligible for old-age insurance  
20 benefits or disability insurance benefits (or dies  
21 before initially becoming so eligible), resides in  
22 a region of the United States recognized by the  
23 Bureau of Labor Statistics pursuant to section  
24 2(a) of the COLA Fairness Act of 2007, the  
25 applicable Consumer Price Index shall be

1           deemed to be the Regional Consumer Price  
2           Index for such region”; and

3           (B) in paragraph (4), by striking “and by  
4           section 9001” and inserting “, by section  
5           9001”, and by inserting after “1986,” the fol-  
6           lowing: “and by section 3(a) of the COLA Fair-  
7           ness Act of 2007.”.

8           (2) CONFORMING AMENDMENTS RELATING TO  
9           APPLICABLE FORMER LAW.—Section 215(i)(4) of  
10          such Act (42 U.S.C. 415(i)(4)) is amended by add-  
11          ing at the end the following new sentence: “For pur-  
12          poses of computing adjustments under this sub-  
13          section as so in effect, the applicable Consumer  
14          Price Index shall be deemed to be the Regional Con-  
15          sumer Price Index for the region in which such indi-  
16          vidual resides at the time he becomes eligible for old-  
17          age insurance benefits or disability insurance bene-  
18          fits (or dies before initially becoming so eligible).”.

19          (b) EFFECTIVE DATE.—The amendments made by  
20          this section shall apply to determinations made by the  
21          Commissioner of Social Security under section 215(i)(2)  
22          of the Social Security Act (42 U.S.C. 415(i)(2)) with re-  
23          spect to cost-of-living computation quarters ending on or  
24          after September 30 of the second calendar year following  
25          the calendar year in which this Act is enacted.

1 **SEC. 4. AMENDMENTS TO TITLE XVIII OF THE SOCIAL SE-**  
2 **CURITY ACT.**

3 (a) IN GENERAL.—Title XVIII of the Social Security  
4 Act (42 U.S.C. 1395 et seq.) is amended—

5 (1) in section 1814(i)(2)(B), by inserting “(i)  
6 for accounting years ending before October 1 of the  
7 second calendar year following the calendar year in  
8 which the COLA Fairness Act of 2007 was en-  
9 acted,” after “for a year is”, and by inserting after  
10 “fifth month of the accounting year” the following:  
11 “, and (ii) for accounting years ending after October  
12 1 of such calendar year, the cap amount determined  
13 under clause (i) for the last accounting year referred  
14 to in such clause, increased or decreased by the  
15 same percentage as the percentage increase or de-  
16 crease, respectively, in the medical care expenditure  
17 category (or corresponding category) of the applica-  
18 ble consumer price index, published by the Bureau  
19 of Labor Statistics, from March of such calendar  
20 year to the fifth month of the accounting year”;

21 (2) in section 1833(h)(2)(A)(i), by striking  
22 “Consumer Price Index for All Urban Consumers  
23 (United States city average)” and inserting “applica-  
24 ble consumer price index”;

25 (3) in section 1833(i)(2)(C)(i), by striking  
26 “Consumer Price Index for all urban consumers

1 (U.S. city average)” and inserting “applicable con-  
2 sumer price index”;

3 (4) in section 1834(a)(14)(J), by striking “con-  
4 sumer price index for all urban consumers (United  
5 States city average)” and inserting “applicable con-  
6 sumer price index”;

7 (5) in section 1834(h)(4)(A)(x), by striking  
8 “consumer price index for all urban consumers  
9 (United States city average)” and inserting “appli-  
10 cable consumer price index”;

11 (6) in section 1834(l)(3)(B), by striking “con-  
12 sumer price index for all urban consumers (U.S. city  
13 average)” and inserting “applicable consumer price  
14 index”;

15 (7) in section 1839(i)(5)(A)(ii), by striking  
16 “Consumer Price Index for all urban consumers  
17 (United States city average)” and inserting “appli-  
18 cable consumer price index”;

19 (8) in section 1842(o)(5)(C), by striking “con-  
20 sumer price index” and inserting “applicable con-  
21 sumer price index”;

22 (9) in section 1842(s)(1), by striking “con-  
23 sumer price index for all urban consumers (United  
24 States city average)” and inserting “applicable con-  
25 sumer price index”;

1           (10) in subparagraphs (D)(ii) and (E)(i)(II) of  
2 section 1860D–14(a)(3), by striking “consumer  
3 price index (all items; U.S. city average)” and in-  
4 serting “applicable consumer price index” each place  
5 it appears;

6           (11) in section 1860D–14(a)(4)(A)(ii), by strik-  
7 ing “consumer price index (all items; U.S. city aver-  
8 age)” and inserting “applicable consumer price  
9 index”;

10           (12) in section 1869(b)(1)(E)(iii), by inserting  
11 “(I) for any such year ending before the second cal-  
12 endar year following the calendar year in which the  
13 COLA Fairness Act of 2007 was enacted,” after  
14 “shall be equal to”, and by inserting after “the year  
15 involved” the following “, and (II) for any such year  
16 ending with or after such second calendar year, such  
17 dollar amounts determined under subclause (I) for  
18 the year preceding such second calendar year, in-  
19 creased by the percentage increase in the medical  
20 care component (or corresponding component) of the  
21 applicable consumer price index, published by the  
22 Bureau of Labor Statistics, for July of such pre-  
23 ceding year to July preceding the year involved”;

24           (13) in section 1882(p)(11)(C)(ii), by striking  
25 “Consumer Price Index for all urban consumers (all

1 items; U.S. city average)” and inserting “applicable  
2 consumer price index”;

3 (14) in section 1886(h)(2)(D)(i), by inserting  
4 “applicable” before “consumer price index”;

5 (15) in section 1886(h)(2)(E)(vi)(II), by strik-  
6 ing “for all urban consumers”; and

7 (16) in section 1886(h)(5)(B), by striking  
8 “Consumer Price Index for All Urban Consumers  
9 (United States city average), as published by the  
10 Secretary of Commerce” and inserting “applicable  
11 consumer price index”.

12 (b) DEFINITION OF APPLICABLE CONSUMER PRICE  
13 INDEX.—Section 1861 of such Act (42 U.S.C. 1395x) is  
14 amended by adding at the end the following new sub-  
15 section:

16 “Applicable Consumer Price Index

17 “(ccc) The term ‘applicable consumer price index’  
18 means, in connection with any person affected by an ad-  
19 justment to be made under this title based on such index,  
20 the Regional Consumer Price Index (as prescribed from  
21 time to time by the Bureau of Labor Statistics pursuant  
22 to section 2(c) of the COLA Fairness Act of 2007) for  
23 the region in which such person resides (in the case of  
24 an individual) or maintains principal offices (in any other  
25 case) at the time the adjustment takes effect. The Sec-

1   retary of Health and Human Services shall prescribe by  
2   regulation, in connection with each requirement for an ad-  
3   justment under this title based on a Regional Consumer  
4   Price Index, the manner in which such adjustment is to  
5   be determined to affect particular persons for purposes of  
6   this subsection.”.

7       (c) EFFECTIVE DATE.—The amendments made by  
8   this section shall apply with respect to determinations  
9   made for periods ending after December 31 of the second  
10  calendar year following the calendar year in which this Act  
11  was enacted.

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