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119TH CONGRESS
2D SESSION

H. R. 10874

To amend titles XVIII and XIX of the Social Security Act to make premium and cost-sharing subsidies available to low-income Medicare part D beneficiaries who reside in the Commonwealth of Puerto Rico or another territory of the United States.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 22, 2026

Mr. HERNÁNDEZ (for himself, Mr. MOYLAN, and Mr. SOTO) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, 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 amend titles XVIII and XIX of the Social Security Act to make premium and cost-sharing subsidies available to low-income Medicare part D beneficiaries who reside in the Commonwealth of Puerto Rico or another territory of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Medicare Low Income Subsidy Equality Act of 2026''.

SEC. 2. EQUAL TREATMENT OF RESIDENTS OF THE COMMONWEALTH OF PUERTO RICO AND OTHER TERRITORIES IN PREMIUM AND COST-SHARING SUBSIDIES UNDER MEDICARE PRESCRIPTION DRUG PROGRAM.

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

(1) in subparagraph (A), in the matter preceding clause (i), by striking ''subject to subparagraph (F),'';

(2) in subparagraph (B)(v), in the matter preceding subclause (I), by striking ''Subject to subparagraph (F), the Secretary'' and inserting ''The Secretary'';

(3) in subparagraph (C), by adding at the end the following new sentence: ''In the case of an individual who is not a resident of the 50 States or the District of Columbia, the poverty line (as such term is defined in clause (ii)) that shall apply to such individual shall be the poverty line for the 48 contiguous States and the District of Columbia.''; and

(4) by striking subparagraph (F).

(b) MEDICAID ASSISTANCE.—Section 1935 of the Social Security Act (42 U.S.C. 1396u–5) is amended—

(1) in subsection (c)(1)(A)—

(A) by inserting ''(and each other State for each month beginning with January 2027)'' after ''January 2006''; and

(B) in clause (i), by inserting ''or (2)(B) (as the case may be)'' after ''paragraph (2)(A)'';

(2) in subsection (c)(2)—

(A) in subparagraph (A)—

(i) by amending the heading to read as follows: ''COMPUTATION FOR 50 STATES AND THE DISTRICT OF COLUMBIA''; and

(ii) by striking ''a State described in paragraph (1)'' and inserting ''one of the 50 States or the District of Columbia'';

(B) in subparagraph (B)—

(i) by striking ''subparagraph (A)'' and inserting ''subparagraph (A) or (B) (as the case may be)''; and

(ii) by redesignating such subparagraph as subparagraph (C); and

(C) by inserting after subparagraph (A) the following new subparagraph:

''(B) COMPUTATION FOR THE COMMONWEALTH OF PUERTO RICO AND OTHER TERRITORIES.—The amount computed under this

paragraph for a State not described in subparagraph (A) and for a month in a year (beginning with 2027) is equal to—

"(i) 1/12 of the product of—

"(I) the amount determined under subsection (e) for the State for 2026; and

"(II) 100 percent minus the highest possible Federal medical assistance percentage that may be applied to any of the 50 States for fiscal year 2024 under section 1905(b)(1); and

"(ii) increased for each year (beginning with 2027 up to and including the year involved) by the applicable growth factor specified in paragraph (4) for that year."; and

(3) in subsection (e)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "of such State; and" and inserting "of such State for years before 2027;";

(ii) in subparagraph (B)—

(I) by inserting ''for periods before January 1, 2027'' after ''(B)''; and

(II) by striking the period at the end and inserting ''; and''; and

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

''(C) for the last 3 quarters of fiscal year 2027 and for each subsequent fiscal year, the amount otherwise applied under section 1108(f) for the State shall be increased by the amount specified in paragraph (4)(A) for such period or fiscal year.'';

(B) in paragraph (2), by striking ''The Secretary'' and inserting ''For periods before January 2027, the Secretary'';

(C) in paragraph (3)—

(i) in the heading, by inserting ''BEFORE SECOND QUARTER OF FISCAL YEAR 2027'' after ''INCREASED AMOUNT'';

(ii) in subparagraph (A)—

(I) in the matter before clause (i), by inserting ''or other fiscal period'' after ''for a year''; and

(II) in clause (i), by inserting "for such year or period" after "subparagraph (B)"; and

(iii) in subparagraph (B)—

(I) in clause (ii), by striking "or" at the end;

(II) in clause (iii), by striking "a subsequent year" and inserting "a subsequent fiscal year (before the second quarter of fiscal year 2027)";

(III) in clause (iii), by striking the period at the end and inserting "; and"; and

(IV) by adding at the end the following:

"(iv) for the first quarter of fiscal year 2027, is equal to 25 percent of the aggregate amount specified in this subparagraph for the previous fiscal year increased by the annual percentage increase specified in section 1860D–2(b)(6) for the year involved.";

(D) by striking paragraph (4); and

(E) by inserting after paragraph (3) the following new paragraph:

"(4) INCREASED AMOUNT BEGINNING WITH SECOND QUARTER OF FISCAL YEAR 2027.—

"(A) IN GENERAL.—The amount specified in this paragraph for a State for the last 3 quarters of fiscal year 2027 or for a subsequent fiscal year is equal to the product of—

"(i) the aggregate amount specified in subparagraph (B) for such period or fiscal year; and

"(ii) the ratio (as estimated by the Secretary) of—

"(I) the number of individuals who are entitled to benefits under part A or enrolled under part B and who reside in the State (as determined by the Secretary based on the most recent available data before the beginning of the period or year); to

"(II) the sum of such numbers for all States that are subject to this subsection.

"(B) AGGREGATE AMOUNT.—The aggregate amount specified in this subparagraph for—

"(i) the last 3 quarters of fiscal year 2027, is equal to 3 times the amount specified in paragraph (3)(B)(iv);

"(ii) fiscal year 2028, is equal to 4 times the amount specified in paragraph (3)(B)(iv) increased by the same annual percentage increase as is applied to increases in the amounts applied for the fiscal year and State under section 1108(f); or

"(iii) a subsequent fiscal year, is equal to the aggregate amount specified in this subparagraph for the previous fiscal year increased by the same annual percentage increase as is applied for the fiscal year and State under section 1108(f).".

(c) CONFORMING AMENDMENT.—Section 1108(f) of the Social Security Act (42 U.S.C. 1308(f)) is amended by striking "1935(e)(1)(B)" and inserting "1935(e)(1)".

(d) EFFECTIVE DATES.—The amendments made by subsection (a) shall take effect on January 1, 2027, and the amendments made by subsections (b) and (c) shall take effect on the date of the enactment of this Act.

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