

109TH CONGRESS
1ST SESSION

S. 813

To amend part D of title XVIII of the Social Security Act to authorize the Secretary of Health and Human Services to negotiate for lower prices for medicare prescription drugs.

IN THE SENATE OF THE UNITED STATES

APRIL 15, 2005

Mr. SPECTER introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend part D of title XVIII of the Social Security Act to authorize the Secretary of Health and Human Services to negotiate for lower prices for medicare prescription drugs.

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. NEGOTIATING FAIR PRICES FOR MEDICARE**
4 **PRESCRIPTION DRUGS.**

5 (a) IN GENERAL.—Section 1860D–11 of the Social
6 Security Act (42 U.S.C. 1395w–111) is amended by strik-
7 ing subsection (i) (relating to noninterference) and by in-
8 serting the following:

1 “(i) AUTHORITY TO NEGOTIATE PRICES WITH MAN-
2 UFACTURERS.—In order to ensure that beneficiaries en-
3 rolled under prescription drug plans and MA–PD plans
4 pay the lowest possible price, the Secretary shall have au-
5 thority similar to that of other Federal entities that pur-
6 chase prescription drugs in bulk to negotiate contracts
7 with manufacturers of covered part D drugs, consistent
8 with the requirements and in furtherance of the goals of
9 providing quality care and containing costs under this
10 part.”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 this section shall take effect as if included in the enact-
13 ment of section 101 of the Medicare Prescription Drug,
14 Improvement, and Modernization Act of 2003 (Public Law
15 108–173; 117 Stat. 2066).

16 (c) HHS REPORTS COMPARING NEGOTIATED PRE-
17 SCRIPTON DRUG PRICES AND RETAIL PRESCRIPTION
18 DRUG PRICES.—Beginning in 2007, the Secretary of
19 Health and Human Services shall regularly, but in no case
20 less often than quarterly, submit to Congress a report that
21 compares the prices for covered part D drugs (as defined
22 in section 1860D–2(e) of the Social Security Act (42
23 U.S.C. 1395w–102(e)) negotiated by the Secretary pursu-
24 ant to section 1860D–11(i) of such Act (42 U.S.C.
25 1395w–111(i)), as amended by subsection (a), with the

1 average price a retail pharmacy would charge an indi-
2 vidual who does not have health insurance coverage for
3 purchasing the same strength, quantity, and dosage form
4 of such covered part D drug.

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