

103D CONGRESS
1ST SESSION

S. 662

AN ACT

To amend title 38, United States Code, and title XIX of the Social Security Act to make technical corrections relating to the Veterans Health Care Act of 1992.

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To amend title 38, United States Code, and title XIX of the Social Security Act to make technical corrections relating to the Veterans Health Care Act of 1992.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. TECHNICAL CORRECTIONS OF PROVISIONS RE-**
2 **LATING TO THE PRICE OF DRUGS PUR-**
3 **CHASED BY THE DEPARTMENT OF VETERANS**
4 **AFFAIRS AND OTHER FEDERAL AGENCIES.**

5 (a) IN GENERAL.—Section 8126 of title 38, United
6 States Code, as amended by section 603 of the Veterans
7 Health Care Act of 1992, is amended—

8 (1) in subsection (a)(2), by striking “preceding
9 such date”;

10 (2) in subsection (c)—

11 (A) in the matter preceding paragraph (1),
12 by striking “for calendar quarters”, and

13 (B) in paragraph (1)—

14 (i) by striking “preceding the month
15 during which the contract goes into ef-
16 fect”; and

17 (ii) by striking “increased by” and in-
18 sserting “multiplied by”;

19 (3) by amending subsection (d)(1) to read as
20 follows:

21 “(1) during any one-year period that follows the
22 first year for which the contract is in effect, the con-
23 tract price charged for the drug may not exceed the
24 contract price charged during the preceding one-year
25 period, increased by the percentage increase in the
26 Consumer Price Index for all urban consumers (U.S.

1 city average) during the 12-month period ending
2 with the last month of such preceding one-year pe-
3 riod for which Consumer Price Index data is avail-
4 able; and”; and

5 (4) by adding at the end the following new sub-
6 section:

7 “(i)(1) If the Secretary modifies a multi-year contract
8 described in subsection (d) to include a covered drug of
9 the manufacturer that was not available for inclusion
10 under the contract at the time the contract went into ef-
11 fect, the price of the drug shall be determined as follows:

12 “(A) For the portion of the first contract year
13 during which the drug is so included, the price of
14 the drug shall be determined in accordance with sub-
15 section (a)(2), except that the reference in such sub-
16 section to ‘the one-year period beginning on the date
17 the agreement takes effect’ shall be considered a ref-
18 erence to such portion of the first contract year.

19 “(B) For any subsequent contract year, the
20 price of the drug shall be determined in accordance
21 with subsection (d), except that each reference in
22 such subsection to ‘the first year for which the con-
23 tract is in effect’ shall be considered a reference to
24 the portion of the first contract year during which
25 the drug is included under the contract.

1 “(2) In this subsection, the term ‘contract year’
2 means any one-year period for which a multi-year contract
3 described in subsection (d) is in effect.”.

4 (b) EFFECTIVE DATE.—The amendments made by
5 subsection (a) shall take effect as if included in the enact-
6 ment of section 603 of the Veterans Health Care Act of
7 1992.

8 **SEC. 2. TECHNICAL CORRECTION OF BUDGET NEUTRALITY**

9 **ADJUSTMENT FOR MEDICAID PRESCRIPTION**

10 **DRUG REBATES.**

11 (a) IN GENERAL.—Section 1927(c)(1)(B)(ii)(II) of
12 the Social Security Act (42 U.S.C. 1396r-
13 8(c)(1)(B)(ii)(II)), as amended by section 601(c) of the
14 Veterans Health Care Act of 1992, is amended by striking
15 “drug;” and inserting the following: “drug, except that for
16 the calendar quarter beginning after September 30, 1992,
17 and before January 1, 1993, the amount of the rebate may
18 not exceed 50 percent of such average manufacturer
19 price;”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 subsection (a) shall take effect as if included in the enact-

1 ment of section 601(c) of the Veterans Health Care Act
2 of 1992.

Passed the Senate March 25 (legislative day, March
3), 1993.

Attest:

Secretary.