

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 2181

To amend title XIX of the Social Security Act to provide for an offset from the Medicaid clawback for State prescription drug expenditures for covered part D drugs for Medicare beneficiaries.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 20, 2006

Mr. LAUTENBERG (for himself, Ms. SNOWE, Mr. SCHUMER, Mr. COLEMAN, Mrs. FEINSTEIN, Mr. PRYOR, Mr. DEWINE, Mrs. BOXER, Mr. MENENDEZ, Ms. COLLINS, Mr. DAYTON, Mr. REED, Mr. JEFFORDS, Mrs. LINCOLN, Mr. LEAHY, Mr. WYDEN, Ms. STABENOW, Mr. JOHNSON, Mr. KENNEDY, Mr. DORGAN, Mr. LIEBERMAN, Mrs. CLINTON, Mr. CHAFEE, and Mr. DODD) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XIX of the Social Security Act to provide for an offset from the Medicaid clawback for State prescription drug expenditures for covered part D drugs for Medicare beneficiaries.

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 “Medicare State Reim-  
5 bursement Act of 2006”.

1 **SEC. 2. FEDERAL RESPONSIBILITY FOR STATE PRESCRIP-**  
2 **TION DRUG EXPENDITURES FOR COVERED**  
3 **PART D DRUGS FOR MEDICARE BENE-**  
4 **FICIARIES.**

5 Section 1935(c) of the Social Security Act (42 U.S.C.  
6 1396v(c)) is amended—

7 (1) in paragraph (1)(A), by striking “Each of  
8 the 50 States” and inserting “Subject to paragraph  
9 (7), each of the 50 States”; and

10 (2) by adding at the end the following new  
11 paragraph:

12 “(7) OFFSET FOR STATE PRESCRIPTION DRUG  
13 EXPENDITURES FOR COVERED PART D DRUGS FOR  
14 MEDICARE BENEFICIARIES.—

15 “(A) IN GENERAL.—The amount of pay-  
16 ment for a month (beginning with January  
17 2006) under paragraph (1) shall be reduced by  
18 an amount equal to the sum of—

19 “(i) the amount (as documented by  
20 the State) that the State expended during  
21 the month for payment for covered part D  
22 drugs for part D eligible individuals who  
23 are enrolled in a prescription drug plan  
24 under part D of title XVIII but were un-  
25 able to access on a timely basis prescrip-

1           tion drug benefits to which they were enti-  
2           tled under such plan; and

3           “(ii) interest on such amount (for the  
4           period beginning on the day after the date  
5           on which an expenditure described in sub-  
6           paragraph (A) is made and ending on the  
7           date on which payment is made under  
8           paragraph (1)) at a rate equal to the  
9           weighted average of interest on 3-month  
10          marketable Treasury securities determined  
11          for such period, increased by 0.1 percent-  
12          age point.

13          “(B) RECOVERY OF REDUCED PAYMENT  
14          FROM PRESCRIPTION DRUG PLANS.—The Sec-  
15          retary shall provide for recovery of payment re-  
16          ductions made under subparagraph (A) from  
17          those prescription drug plans under part D of  
18          title XVIII or MA–PD plans under part C of  
19          such title that would otherwise be responsible  
20          for the expenditures described in subparagraph  
21          (A)(i). Any such amounts recovered shall be de-  
22          posited into the Medicare Prescription Drug Ac-  
23          count in the Federal Supplementary Medical  
24          Insurance Trust Fund.”.

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