

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> 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.

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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

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## 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 **SCRIPTION 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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