H. R. 4

To amend part D of title XVIII of the Social Security Act to require the Secretary of Health and Human Services to negotiate lower covered part D drug prices on behalf of Medicare beneficiaries.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 2007

Mr. DINGELL (for himself, Mrs. EMERSON, Mr. RANGEL, Ms. SHEA-PORTEER, Mr. WAXMAN, Mr. STARK, Mr. ACKERMAN, Mr. ALLEN, Mr. ALTMIKE, Mr. ANDREWS, Mr. ARCURI, Mr. BACA, Mr. BAIRD, Ms. BALDWIN, Mr. BECERRA, Ms. BERKLEY, Mr. BERMAN, Mr. BERRY, Mr. BISHOP of New York, Mr. BLUMENAUER, Ms. BORDALLO, Mr. BOSWELL, Mr. BOUCHER, Ms. BOYDA of Kansas, Mr. BRADY of Pennsylvania, Mr. BRALEY of Iowa, Mr. BUTTERFIELD, Mrs. CAPPS, Mr. CAPUANO, Mr. CARDOZA, Mr. CARNAHAN, Mr. CARNEY, Ms. CASTOR, Mr. CHANDLER, Mrs. CHRISTENSEN, Ms. CLARKE, Mr. CLAY, Mr. CLEAVER, Mr. CLYBURN, Mr. COHEN, Mr. CONYERS, Mr. COOPER, Mr. COSTELLO, Mr. COURTNEY, Mr. CROWLEY, Mr. CUellar, Mr. CUMMINGS, Mr. DAVIS of Illinois, Mr. DAVIS of Alabama, Mr. DEFAZIO, Ms. DEGETTE, Mr. DELAHUNT, Ms. DELAuro, Mr. DICKS, Mr. DOGGETT, Mr. DONNELLY, Mr. DOYLE, Mr. ELLISON, Mr. ELLSWORTH, Mr. EMANUEL, Ms. ESHOO, Mr. FALEOMAVAEGA, Mr. FARR, Mr. FATTAH, Mr. FULNER, Mr. FRANK of Massachusetts, Ms. GIFFORDS, Mrs. GILLIBRAND, Mr. GORDON of Tennessee, Mr. AL GREEN of Texas, Mr. GENE GREEN of Texas, Mr. GRIJALVA, Mr. HALL of New York, Mr. HARE, Ms. HARMAN, Mr. HASTINGS of Florida, Ms. HERSETH, Mr. HIGGINS, Mr. HILL, Mr. HINCHEN, Ms. HIRONO, Mr. HODES, Mr. HOLDEN, Mr. HONDA, Ms. HOOLEY, Mr. HOYER, Mr. ISRAEL, Mr. JACKSON of Illinois, Ms. JACKSON-Lee of Texas, Mr. JOHNSON of Georgia, Mr. KAGEN, Ms. KAPTUR, Mr. KILDEE, Mr. KIND, Mr. KLEIN of Florida, Mr. KUCINICH, Mr. LANGEVIN, Mr. LANTOS, Mr. LARSEN of Washington, Mr. LARSON of Connecticut, Ms. LEE, Mr. LEVIN, Mr. LEWIS of Georgia, Mr. LIPINSKI, Mr. LOEBSACK, Ms. ZOE LOPFREN of California, Mr. LYNCH, Mr. MAHONEY of Florida, Mrs. MALONEY of New York, Mr. MARKEY, Ms. MATSU, Mrs. McCARTHY of New York, Ms. McColllum of Minnesota, Mr. MCDERMOTT, Mr. MCGovern, Mr. MCMULLEN, Mr. MEHARK, Mr. MEK of Florida, Mr. MICHAUD, Ms. MILLER-McDONALD, Mr. GEORGE MILLER of California, Mr. MITCHELL, Mr. MOORE of Kansas, Mr. Moran of Virginia, Mr. CHRISTOPHER MURPHY
To amend part D of title XVIII of the Social Security Act to require the Secretary of Health and Human Services to negotiate lower covered part D drug prices on behalf of Medicare beneficiaries.

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

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the "Medicare Prescription Drug Price Negotiation Act of 2007".
SEC. 2. NEGOTIATION OF LOWER COVERED PART D DRUG PRICES ON BEHALF OF MEDICARE BENEFICIARIES.

(a) NEGOTIATION BY HHS.—Section 1860D–11 of the Social Security Act (42 U.S.C. 1395w–111) is amended by striking subsection (i) (relating to noninterference) and inserting the following:

“(i) NEGOTIATION OF LOWER DRUG PRICES.—

“(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall negotiate with pharmaceutical manufacturers the prices (including discounts, rebates, and other price concessions) that may be charged to PDP sponsors and MA organizations for covered part D drugs for part D eligible individuals who are enrolled under a prescription drug plan or under an MA–PD plan.

“(2) NO CHANGE IN RULES FOR FORMULARIES.—

“(A) IN GENERAL.—Nothing in paragraph (1) shall be construed to authorize the Secretary to establish or require a particular formulary.

“(B) CONSTRUCTION.—Subparagraph (A) shall not be construed as affecting the Secretary’s authority to ensure appropriate and adequate access to covered part D drugs under
prescription drug plans and under MA–PD
plans, including compliance of such plans with
formulary requirements under section 1860D–
4(b)(3).

“(3) CONSTRUCTION.—Nothing in this sub-
section shall be construed as preventing the sponsor
of a prescription drug plan, or an organization offer-
ing an MA–PD plan, from obtaining a discount or
reduction of the price for a covered part D drug
below the price negotiated under paragraph (1).

“(4) SEMI-ANNUAL REPORTS TO CONGRESS.—
Not later than June 1, 2007, and every six months
thereafter, the Secretary shall submit to the Com-
mittees on Ways and Means, Energy and Commerce,
and Oversight and Government Reform of the House
of Representatives and the Committee on Finance of
the Senate a report on negotiations conducted by the
Secretary to achieve lower prices for Medicare bene-
ficiaries, and the prices and price discounts achieved
by the Secretary as a result of such negotiations.”.

(b) EFFECTIVE DATE.—The amendment made by
subsection (a) shall take effect on the date of the enact-
ment of this Act and shall first apply to negotiations and
prices for plan years beginning on January 1, 2008.