

110TH CONGRESS
1ST SESSION

H. R. 4

IN THE SENATE OF THE UNITED STATES

JANUARY 12, 2007

Received; read twice and referred to the Committee on Finance

AN ACT

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 Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Medicare Prescription
3 Drug Price Negotiation Act of 2007”.

4 **SEC. 2. NEGOTIATION OF LOWER COVERED PART D DRUG**
5 **PRICES ON BEHALF OF MEDICARE BENE-**
6 **FICIARIES.**

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

11 “(i) **NEGOTIATION OF LOWER DRUG PRICES.**—

12 “(1) **IN GENERAL.**—Notwithstanding any other
13 provision of law, the Secretary shall negotiate with
14 pharmaceutical manufacturers the prices (including
15 discounts, rebates, and other price concessions) that
16 may be charged to PDP sponsors and MA organiza-
17 tions for covered part D drugs for part D eligible in-
18 dividuals who are enrolled under a prescription drug
19 plan or under an MA–PD plan.

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

22 “(A) **IN GENERAL.**—Nothing in paragraph
23 (1) shall be construed to authorize the Sec-
24 retary to establish or require a particular for-
25 mulary.

1 “(B) CONSTRUCTION.—Subparagraph (A)
2 shall not be construed as affecting the Sec-
3 retary’s authority to ensure appropriate and
4 adequate access to covered part D drugs under
5 prescription drug plans and under MA–PD
6 plans, including compliance of such plans with
7 formulary requirements under section 1860D–
8 4(b)(3).

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

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

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

 Passed the House of Representatives January 12,
2007.

Attest:

KAREN L. HAAS,
Clerk.