

106TH CONGRESS
2D SESSION

H. R. 4235

To establish a voluntary program for low-income Medicare beneficiaries to obtain assistance in paying for outpatient prescription drugs.

IN THE HOUSE OF REPRESENTATIVES

APRIL 11, 2000

Mr. FOLEY introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish a voluntary program for low-income Medicare beneficiaries to obtain assistance in paying for outpatient 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. SHORT TITLE.**

4 This Act may be cited as the “Medicare Low-Income
5 Prescription Drug Assistance Act of 2000”.

6 **SEC. 2. ESTABLISHMENT OF PROGRAM.**

7 (a) IN GENERAL.—The Secretary of Health and
8 Human Services shall establish a program under which

1 low-income medicare beneficiaries may voluntarily enroll
2 and receive benefits for covered outpatient prescription
3 drugs in return for payment of monthly premiums.

4 (b) VOLUNTARY ENROLLMENT.—

5 (1) The Secretary shall establish one or more
6 enrollment periods for voluntary enrollment under
7 this section consistent with the following:

8 (A) There shall be an initial enrollment pe-
9 riod for individuals who are low-income medi-
10 care beneficiaries at the time the program is es-
11 tablished.

12 (B) There shall be an initial enrollment pe-
13 riod for individuals who at the time the indi-
14 vidual first becomes a low-income medicare ben-
15 eficiary after the time the program is estab-
16 lished.

17 (C) The Secretary may establish special
18 enrollment periods that take into account the
19 loss of other prescription drug coverage.

20 (D) Individuals may disenroll from the
21 program only on an annual basis (with such ex-
22 ceptions as the Secretary may provide).

23 (E) Enrollment and disenrollment periods
24 shall be designed in a manner to avoid adverse

1 selection but take into account changes in eligi-
2 bility status.

3 (2) INFORMATION DISSEMINATION.—The Sec-
4 retary shall provide for such widespread dissemina-
5 tion of information as may be appropriate to assure
6 that low-income medicare beneficiaries are able to
7 enroll in the program on a timely basis.

8 (c) MONTHLY PREMIUM.—

9 (1) AMOUNT.—Enrollment under the program
10 is conditioned upon payment of a monthly premium
11 of \$20.

12 (2) COLLECTION.—To the extent practicable,
13 the Secretary shall provide for the collection of such
14 premiums in the same manner as part B medicare
15 premiums are collected under section 1839 of the
16 Social Security Act, except that any amounts so col-
17 lected shall not be deposited into the Federal Sup-
18 plementary Medical Insurance Trust Fund but shall
19 be available to the Secretary to make payments of
20 benefits under this section.

21 (d) BENEFITS.—

22 (1) IN GENERAL.—Subject to paragraph (2),
23 the benefits under the program shall consist of pay-
24 ment to the pharmacy providing covered outpatient
25 prescription drugs furnished to the enrollee and for

1 which coverage is not provided under the medicare
2 program. Such payments are subject to a copayment
3 of \$20 per prescription (as determined by the Sec-
4 retary) or \$10 per prescription for a generic drug
5 (as determined by the Secretary). The Secretary
6 may adjust the dollar amounts under the previous
7 sentence to reflect changes in the cost of benefits
8 under this section over time.

9 (2) ANNUAL LIMITATION.—The total amount of
10 benefits that may be paid under this section for
11 costs incurred by an enrollee in a year shall not ex-
12 ceed \$1,500.

13 (3) ADMINISTRATION.—The Secretary may
14 enter into such agreements, under such terms and
15 conditions, with States, carriers, and other private
16 and public entities as the Secretary determines to be
17 appropriate to operate the program under this sec-
18 tion, including making determinations of eligibility,
19 enrollment of individuals, and the payment of
20 claims.

21 (e) ENTITLEMENT.—This section constitutes budget
22 authority in advance of appropriations Acts and rep-
23 resents the obligation of the Federal Government to pro-
24 vide for the payment of benefits under the program estab-
25 lished under this section.

1 (f) DEFINITIONS.—For purposes of this section:

2 (1) COVERED OUTPATIENT PRESCRIPTION
3 DRUGS.—The term “covered outpatient prescription
4 drugs” has the meaning given such term by the Sec-
5 retary and shall include drugs, biologicals, and insu-
6 lin of the type described in section 1927(k)(2) of the
7 Social Security Act, but does not include any items
8 for which payment may be made under the medicare
9 program.

10 (2) LOW-INCOME MEDICARE BENEFICIARY.—
11 The term “low-income medicare beneficiary” means
12 a medicare beneficiary whose annual income (as de-
13 fined by the Secretary) does not exceed \$30,000 (in
14 the case of a single individual) or \$60,000 (in the
15 case of a married individual, including the income of
16 the individual’s spouse). The Secretary shall provide
17 for an appropriate annual adjustment in the dollar
18 amounts under the previous sentence to reflect
19 changes in average income for medicare bene-
20 ficiaries.

21 (3) MEDICARE BENEFICIARY.—The term
22 “medicare beneficiary” means an individual enrolled
23 for benefits under part B of title XVIII of the Social
24 Security Act.

1 (4) MEDICARE PROGRAM.—The term “medicare
2 program” means the health insurance programs
3 under title XVIII of the Social Security Act.

4 (5) SECRETARY.—The term “Secretary” means
5 the Secretary of Health and Human Services.

6 (g) EFFECTIVE DATE.—The Secretary shall establish
7 the program in a manner so that individuals are first en-
8 rolled (and entitled to benefits) for expenses incurred dur-
9 ing months beginning with January 2002.

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