

108TH CONGRESS
2D SESSION

H. R. 4681

To require the Secretary of Health and Human Services to establish and maintain an Internet website that is designed to allow consumers to compare the usual and customary prices for covered outpatient drugs sold by retail pharmacies that participate in the Medicaid Program for each postal Zip Code, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 2004

Mr. CARDIN (for himself, Mr. PALLONE, and Mr. McNULTY) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To require the Secretary of Health and Human Services to establish and maintain an Internet website that is designed to allow consumers to compare the usual and customary prices for covered outpatient drugs sold by retail pharmacies that participate in the Medicaid Program for each postal Zip Code, and for other purposes.

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 “Prescription Drug
5 Price Comparison for Savings Act of 2004”.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) Access to prescription drugs is important to
4 all Americans.

5 (2) Many individuals cannot afford to purchase
6 the drugs prescribed by their doctors. Others skip
7 doses or split pills contrary to their doctor's orders
8 because they cannot afford to refill their prescrip-
9 tions.

10 (3) Individuals who use their limited financial
11 resources to obtain needed drugs may do so by fore-
12 going other expenditures important to their health
13 and well-being.

14 (4) Among the objectives of the medicaid pro-
15 gram set forth in section 1901 of the Social Security
16 Act (42 U.S.C. 1396) is the objective to enable each
17 State to furnish services to help low-income families
18 and aged, blind, or disabled individuals "attain or
19 retain capability for independence or self-care".

20 (5) Some States, such as Maryland, have estab-
21 lished interactive Internet websites that use the
22 usual and customary price information reported by
23 pharmacies participating in the State's medicaid
24 program to allow all residents of the State to com-
25 parison shop for prescription drugs.

1 (6) Requiring all States to collect from phar-
2 macies that participate in the medicaid program the
3 usual and customary price for prescription drugs
4 sold by the pharmacies and to report that informa-
5 tion to the Secretary of Health and Human Services
6 in order that a national, interactive Internet website
7 may be established and maintained for individuals to
8 use to comparison shop for prescription drugs is
9 consistent with the objectives of the medicaid pro-
10 gram.

11 **SEC. 3. STATE PLAN REQUIREMENT TO COLLECT AND RE-**
12 **PORT USUAL AND CUSTOMARY PRICES FOR**
13 **COVERED OUTPATIENT DRUGS SOLD UNDER**
14 **THE MEDICAID PROGRAM.**

15 Section 1902(a) of the Social Security Act (42 U.S.C.
16 1396a(a)) is amended—

17 (1) in paragraph (66), by striking “and” at the
18 end;

19 (2) in paragraph (67), by striking the period
20 and inserting “; and”; and

21 (3) by inserting after paragraph (67), the fol-
22 lowing:

23 “(68) provide that the State shall—

24 “(A) require each retail pharmacy which
25 receives payments under the plan to report to

the State concurrent with the filling of a prescription for a covered outpatient drug (as defined in section 1927(k)(2)) for an individual receiving medical assistance under this title—

“(i) the usual and customary price (as defined in section 1927(k)(10)) for the strength, quantity, and dosage form of the covered outpatient drug, as of the date the prescription is filled; and

“(ii) the postal Zip Code in which the retail pharmacy is located; and

“(B) submit the information reported under subparagraph (A) to the Secretary on such frequent basis as the Secretary shall require so as to allow for monthly updates of the information posted on the Internet website required to be established under section 5 of the Prescription Drug Price Comparison for Savings Act of 2004.”.

**SEC. 4. USUAL AND CUSTOMARY PRICES FOR COVERED
OUTPATIENT DRUGS.**

(a) DEFINITION.—Section 1927(k) of the Social Security Act (42 U.S.C. 1396r–8(k)) is amended by adding at the end the following:

1 “(10) USUAL AND CUSTOMARY PRICE.—The
 2 term ‘usual and customary price’ means the price a
 3 retail pharmacy would charge an individual who does
 4 not have health insurance coverage for purchasing a
 5 specific strength, quantity, and dosage form of a
 6 covered outpatient drug.”.

7 (b) INCLUSION OF INFORMATION IN ANNUAL RE-
 8 PORT TO CONGRESS.—Section 1927(i)(2)(E) of the Social
 9 Security Act (42 U.S.C. 1396r–8(i)(2)(E)) is amended—
 10 (1) by redesignating subparagraphs (E) and
 11 (F) as subparagraphs (F) and (G), respectively; and
 12 (2) by inserting after subparagraph (D), the
 13 following:

14 “(E) the range of usual and customary
 15 prices for specific strengths, quantities, and
 16 dosage forms of covered outpatient drugs,
 17 disaggregated by postal Zip Code;”.

18 **SEC. 5. REQUIREMENT TO ESTABLISH AND MAINTAIN PRE-**
 19 **SCRIPTION DRUG PRICE COMPARISON**
 20 **WEBSITE.**

21 (a) AUTHORITY.—Not later than 6 months after the
 22 date of enactment of this Act, the Secretary shall establish
 23 and arrange for the maintenance of an Internet website
 24 that is designed to allow an individual to compare the
 25 usual and customary prices for a range of strengths and

1 quantities of covered outpatient drugs sold by retail phar-
2 macies that receive payments under the medicaid program
3 for each postal Zip Code that corresponds to an area of
4 a State.

5 (b) REQUIREMENTS.—The Internet website required
6 to be established and maintained under this section shall
7 consist of—

8 (1) the information submitted to the Secretary
9 in accordance with section 1902(a)(68)(B) of the
10 Social Security Act (42 U.S.C. 1396a(a)(68)(B)) (as
11 added by section 3(a)(3)); and

12 (2) such other information as the Secretary de-
13 termines is appropriate.

14 (c) DEFINITIONS.—In this section:

15 (1) COVERED OUTPATIENT DRUG.—The term
16 “covered outpatient drug” has the meaning given
17 that term in section 1927(k)(2) of the Social Secu-
18 rity Act (42 U.S.C. 1396r–8(k)(2)).

19 (2) SECRETARY.—The term “Secretary” means
20 the Secretary of Health and Human Services.

21 (3) STATE.—The term “State” has the mean-
22 ing given that term for purposes of title XIX of the
23 Social Security Act (42 U.S.C. 1396 et seq.).

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