

108TH CONGRESS
1ST SESSION

H. R. 513

To amend title XVIII of the Social Security Act to authorize the Secretary of Health and Human Services to endorse prescription drug discount cards for use by Medicare beneficiaries.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 31, 2003

Mr. FOLEY introduced the following bill; which was referred to the Committee on Energy and 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 amend title XVIII of the Social Security Act to authorize the Secretary of Health and Human Services to endorse prescription drug discount cards for use by Medicare beneficiaries.

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 Rx Drug Dis-
5 count Act of 2003”.

1 **SEC. 2. MEDICARE PRESCRIPTION DRUG DISCOUNT CARD**
2 **ENDORSEMENT PROGRAM.**

3 Title XVIII of the Social Security Act (42 U.S.C.
4 1395 et seq.) is amended by inserting after section 1806
5 the following new sections:

6 “MEDICARE PRESCRIPTION DRUG DISCOUNT CARD
7 ENDORSEMENT PROGRAM

8 “SEC. 1807. (a) IN GENERAL.—The Secretary shall
9 establish a program—

10 “(1) to endorse prescription drug discount card
11 programs that meet the requirements of this section;
12 and

13 “(2) to make available to medicare beneficiaries
14 information regarding such endorsed programs.

15 “(b) REQUIREMENTS FOR ENDORSEMENT.—The
16 Secretary may not endorse a prescription drug discount
17 card program under this section unless the program meets
18 the following requirements:

19 “(1) SAVINGS TO MEDICARE BENEFICIARIES.—
20 The program passes on to medicare beneficiaries
21 who enroll in the program discounts on prescription
22 drugs, including discounts negotiated with manufac-
23 turers.

24 “(2) PROHIBITION ON APPLICATION ONLY TO
25 MAIL ORDER.—The program applies to drugs that
26 are available other than solely through mail order.

1 “(3) BENEFICIARY SERVICES.—The program
2 provides pharmaceutical support services, such as
3 education and counseling, and services to prevent
4 adverse drug interactions.

5 “(4) INFORMATION.—The program makes
6 available to medicare beneficiaries through the Inter-
7 net and otherwise information, including information
8 on enrollment fees, prices charged to beneficiaries,
9 and services offered under the program, that the
10 Secretary identifies as being necessary to provide for
11 informed choice by beneficiaries among endorsed
12 programs.

13 “(5) DEMONSTRATED EXPERIENCE.—The enti-
14 ty operating the program has demonstrated experi-
15 ence and expertise in operating such a program or
16 a similar program.

17 “(6) QUALITY ASSURANCE.—The entity has in
18 place adequate procedures for assuring quality serv-
19 ice under the program.

20 “(7) OPERATION OF ASSISTANCE PROGRAM.—
21 The entity meets such requirements relating to sol-
22 vency, compliance with financial reporting require-
23 ments, audit compliance, and contractual guarantees
24 as the Secretary finds necessary for participation.

1 “(8) ENROLLMENT FEES.—The program may
2 charge an annual enrollment fee, but the amount of
3 such annual fee may not exceed \$25.

4 “(9) ADDITIONAL BENEFICIARY PROTEC-
5 TIONS.—The program meets such additional require-
6 ments as the Secretary identifies to protect and pro-
7 mote the interest of medicare beneficiaries, including
8 requirements that ensure that beneficiaries are not
9 charged more than the lower of the negotiated retail
10 price or the usual and customary price.

11 The prices negotiated by a prescription drug discount card
12 program endorsed under this section shall (notwith-
13 standing any other provision of law) not be taken into ac-
14 count for the purposes of establishing the best price under
15 section 1927(c)(1)(C).

16 “(c) PROGRAM OPERATION.—The Secretary shall op-
17 erate the program under this section consistent with the
18 following:

19 “(1) PROMOTION OF INFORMED CHOICE.—In
20 order to promote informed choice among endorsed
21 prescription drug discount card programs, the Sec-
22 retary shall provide for the dissemination of infor-
23 mation which compares the prices and services of
24 such programs in a manner coordinated with the

1 dissemination of educational information on
2 Medicare+Choice plans under part C.

3 “(2) OVERSIGHT.—The Secretary shall provide
4 appropriate oversight to ensure compliance of en-
5 dored programs with the requirements of this sec-
6 tion, including verification of the discounts and serv-
7 ices provided.

8 “(3) USE OF MEDICARE TOLL-FREE NUMBER.—
9 The Secretary shall provide through the 1-800-medi-
10 care toll free telephone number for the receipt and
11 response to inquiries and complaints concerning the
12 program and programs endorsed under this section.

13 “(4) SANCTIONS FOR ABUSIVE PRACTICES.—
14 The Secretary may implement intermediate sanc-
15 tions or may revoke the endorsement of a program
16 in the case of a program that the Secretary deter-
17 mines no longer meets the requirements of this sec-
18 tion or that has engaged in false or misleading mar-
19 keting practices.

20 “(5) ENROLLMENT PRACTICES.—A medicare
21 beneficiary may not be enrolled in more than one en-
22 dored program at any time. A medicare beneficiary
23 may change the endorsed program in which the ben-
24 eficiary is enrolled, but may not make such change
25 until the beneficiary has been enrolled in a program

1 for a minimum period of time specified by the Sec-
2 retary.

3 “(d) TRANSITION.—The Secretary shall provide for
4 an appropriate transition and discontinuation of the pro-
5 gram under this section at the time outpatient prescrip-
6 tion drug benefits first become available under this title.

7 “(e) ENDORSEMENT CONDITION.—The Secretary
8 shall require, as condition of endorsement under of a pre-
9 scription drug discount card program under this section
10 that the program implement policies and procedures to
11 safeguard the use and disclosure of program beneficiaries’
12 individually identifiable health information in a manner
13 consistent with the Federal regulations (concerning the
14 privacy of individually identifiable health information) pro-
15 mulgated under section 264(c) of the Health Insurance
16 Portability and Accountability Act of 1996.

17 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
18 are authorized to be appropriated such sums as may be
19 necessary to carry out the program under this section.”.

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