

108TH CONGRESS  
1ST SESSION

# S. 1994

To amend part D of title XVIII of the Social Security Act to strike the language that prohibits the Secretary of Health and Human Services from negotiating prices for prescription drugs furnished under the Medicare program.

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## IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 2003

Mr. DASCHLE (for Mr. FEINGOLD) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend part D of title XVIII of the Social Security Act to strike the language that prohibits the Secretary of Health and Human Services from negotiating prices for prescription drugs furnished under the Medicare program.

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 “Efficiency in Govern-  
5 ment Health Care Spending Act”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1           (1) Prohibiting the Federal Government from  
 2           negotiating prescription drug prices with manufac-  
 3           turers fails to take advantage of the purchasing  
 4           power of the Medicare program.

5           (2) Negotiating prescription drug prices can re-  
 6           duce the costs of prescription drugs for both the  
 7           Medicare program and taxpayers.

8           (3) A 2002 study by the inspector general of  
 9           the Department of Health and Human Services  
 10          found that—

11                (A) both the Medicare program and the  
 12                beneficiaries of the Medicare program contin-  
 13                ually pay too much for medical equipment and  
 14                medical supplies; and

15                (B) if the Medicare program paid the same  
 16                prices for 16 health care supplies as the De-  
 17                partment of Veterans Affairs, which directly ne-  
 18                gotiates prices with manufacturers, pays for  
 19                those supplies, the Federal Government could  
 20                save \$958,000,000 each year.

21 **SEC. 3. ELIMINATION OF PROHIBITION OF NEGOTIATION**  
 22 **OF PRICES.**

23           (a) REPEAL OF NONINTERFERENCE PROVISION.—

24                (1) IN GENERAL.—Subsection (i) of section  
 25                1860D–11 of the Social Security Act, as added by

1       section 101 of the Medicare Prescription Drug, Im-  
2       provement, and Modernization Act of 2003, is re-  
3       pealed.

4               (2) CONFORMING AMENDMENT.—Subsection (j)  
5       of section 1860D–11 of the Social Security Act, as  
6       added by section 101 of the Medicare Prescription  
7       Drug, Improvement, and Modernization Act of 2003,  
8       is redesignated as subsection (i).

9               (b) EFFECTIVE DATE.—The amendments made by  
10      this section shall take effect as if included in the enact-  
11      ment of section 101 of the Medicare Prescription Drug,  
12      Improvement, and Modernization Act of 2003.

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