

108TH CONGRESS
2D SESSION

S. 2512

To amend title XVIII of the Social Security Act to simplify the medicare prescription drug card program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 8, 2004

Mr. CONRAD introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act to simplify the medicare prescription drug card program, 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 “Drug Discount Card
5 Simplification Act of 2004”.

6 **SEC. 2. MEDICARE PRESCRIPTION DRUG DISCOUNT CARD**
7 **SIMPLIFICATION.**

8 (a) INCREASED COMPETITION.—Section 1860D–
9 31(h)(2) of the Social Security Act (42 U.S.C. 1395w–
10 141(h)(2)) is amended—

1 (1) in subparagraph (C), by inserting “, includ-
 2 ing for purposes of limiting the number of sponsors
 3 in a State under subparagraph (D)(ii)” after “as de-
 4 fined by the Secretary”; and

5 (2) in subparagraph (D)—

6 (A) in clause (ii), by striking “The Sec-
 7 retary may limit (but not below 2)” and insert-
 8 ing “On and after January 1, 2005, the Sec-
 9 retary shall limit to not more than 3”; and

10 (B) by adding at the end the following new
 11 clause:

12 “(iii) SELECTION OF SPONSORS.—In
 13 limiting the number of sponsors under this
 14 subparagraph, the Secretary shall con-
 15 sider—

16 “(I) the negotiated prices of cov-
 17 ered discount card drugs available
 18 under the endorsed discount card pro-
 19 gram;

20 “(II) the number of classes of
 21 covered discount card drugs for which
 22 discounts are available under the pro-
 23 gram; and

24 “(III) the access of enrollees to
 25 pharmacies participating in the en-

1 dorsed drug discount card program
 2 that dispense drugs directly to enroll-
 3 ees other than solely by mail order
 4 and without requiring the use of the
 5 Internet.”.

6 (b) LIMITATION ON PRICES.—Section 1860D–
 7 31(e)(1)(A) of the Social Security Act (42 U.S.C. 1395w–
 8 141(e)(1)(A)) is amended by adding at the end the fol-
 9 lowing new clause:

10 “(iii) LIMITATION ON NEGOTIATED
 11 PRICES AND PRICES PAID BY PHAR-
 12 MACIES.—On and after January 1, 2005—

13 “(I) the negotiated price of each
 14 covered discount card drug dispensed
 15 to an individual enrolled in an en-
 16 dorsed discount card program may
 17 not exceed the negotiated price of that
 18 drug under such program as of De-
 19 cember 31, 2004, and the dispensing
 20 fee applicable with respect to each
 21 such drug (if any) may not be reduced
 22 after such date; and

23 “(II) each prescription drug card
 24 sponsor shall ensure that the price
 25 paid by pharmacies participating in

1 its network for each covered discount
 2 card drug dispensed to an individual
 3 enrolled in an endorsed discount card
 4 program offered by such sponsor does
 5 not exceed the price paid by those
 6 pharmacies for each such drug as of
 7 December 31, 2004.”.

8 (c) CONTINUATION OF COVERAGE.—Section 1860D–
 9 31(e)(1) of the Social Security Act (42 U.S.C. 1395w–
 10 141(e)(1)) is amended by adding at the end the following
 11 new subparagraph:

12 “(E) CONTINUATION OF COVERAGE.—Dur-
 13 ing the portion of the period of operation de-
 14 scribed in subsection (a)(2) that begins on Jan-
 15 uary 1, 2005, each prescription drug card spon-
 16 sor that offers an endorsed discount card pro-
 17 gram shall provide each discount card eligible
 18 individual enrolled in the program with access
 19 to negotiated prices for each covered discount
 20 card drug for which a negotiated price was
 21 available under such program as of December
 22 31, 2004.”.

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