

109TH CONGRESS  
2D SESSION

# H. R. 4675

To amend title XIX of the Social Security Act to provide for an offset from the Medicaid clawback for State emergency prescription drug expenditures for covered part D drugs for Medicare beneficiaries.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 31, 2006

Mr. PALLONE (for himself, Ms. MCCOLLUM of Minnesota, Mr. JEFFERSON, Ms. BALDWIN, Mr. HOLT, Mr. SANDERS, Mr. McDERMOTT, Mr. HIGGINS, Mr. BOREN, Mr. HONDA, Mr. STARK, Mr. ANDREWS, Mr. GRIJALVA, Mr. BROWN of Ohio, Mr. MICHAUD, Ms. JACKSON-LEE of Texas, Mr. BERRY, Mr. LYNCH, Mr. KUCINICH, Mr. CONYERS, Mr. FRANK of Massachusetts, Mr. NADLER, Mr. COSTA, and Ms. LEE) 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

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## A BILL

To amend title XIX of the Social Security Act to provide for an offset from the Medicaid clawback for State emergency prescription drug expenditures for covered part D drugs for Medicare beneficiaries.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Medicare State Reim-  
3 bursement Act of 2006”.

4 **SEC. 2. FEDERAL RESPONSIBILITY FOR STATE PRESCRIP-**  
5 **TION DRUG EXPENDITURES FOR COVERED**  
6 **PART D DRUGS FOR MEDICARE BENE-**  
7 **FICIARIES.**

8       Section 1935(c) of the Social Security Act (42 U.S.C.  
9 1396v–5(c)) is amended—

10           (1) in paragraph (1)(A), by striking “Each of  
11 the 50 States” and inserting “Subject to paragraph  
12 (7), each of the 50 States”; and

13           (2) by adding at the end the following new  
14 paragraph:

15           “(7) OFFSET FOR STATE PRESCRIPTION DRUG  
16 EXPENDITURES FOR COVERED PART D DRUGS FOR  
17 MEDICARE BENEFICIARIES.—

18           “(A) IN GENERAL.—The amount of pay-  
19 ment for a month (beginning with January  
20 2006) under paragraph (1) shall be reduced by  
21 an amount equal to the sum of—

22           “(i) the amount (as documented by  
23 the State) that the State expended during  
24 the month for payment for covered part D  
25 drugs for part D eligible individuals who  
26 are enrolled in a prescription drug plan

1 under part D of title XVIII but were un-  
2 able to access on a timely basis prescrip-  
3 tion drug benefits to which they were enti-  
4 tled under such plan; and

5 “(ii) interest on such amount (for the  
6 period beginning on the day after the date  
7 on which an expenditure described in sub-  
8 paragraph (A) is made and ending on the  
9 date on which payment under paragraph  
10 (1)) at a rate equal to the weighted aver-  
11 age of interest on three-month marketable  
12 Treasury securities determined for such  
13 period, increased by 0.1 percentage point.

14 “(B) RECOVERY OF REDUCED PAYMENT  
15 FROM PRESCRIPTION DRUG PLANS.—The Sec-  
16 retary shall provide for recovery of payment re-  
17 ductions made under subparagraph (A) from  
18 those prescription drug plans under part D of  
19 title XVIII or MA–PD plans under part C of  
20 such title that would otherwise be responsible  
21 for the expenditures described in subparagraph  
22 (A)(i). Any such amounts recovered shall be de-  
23 posited into the Medicare Prescription Drug Ac-

1 count in the Federal Supplementary Medical  
2 Insurance Trust Fund.”.

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