

109TH CONGRESS  
1ST SESSION

# H. R. 729

To assure cost credibility of the Medicare prescription drug benefit.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 9, 2005

Mr. STARK 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 assure cost credibility of the Medicare prescription drug benefit.

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 Drug Cost  
5       Credibility Act of 2005”.

6       **SEC. 2. COST CREDIBILITY FOR MEDICARE PRESCRIPTION**  
7       **DRUG BENEFIT.**

8       (a) COST CREDIBILITY.—

1           (1) IN GENERAL.—If the net mandatory outlays  
2           for the medicare prescription drug benefit for a fis-  
3           cal year (as contained in tables accompanying the  
4           Budget of the United States submitted by the Presi-  
5           dent for that fiscal year) exceed the original CBO  
6           cost estimate of such benefit for that fiscal year (as  
7           described in paragraph (2)), the Secretary shall, not-  
8           withstanding section 1860D–11(i)(1) of the Social  
9           Security Act (42 U.S.C. 1395w–111(i)(1)), utilize  
10          negotiating authority in order to reduce the acquisi-  
11          tion cost for prescription drugs. Such authority shall  
12          apply for benefits for the calendar year that begins  
13          in such fiscal year and for benefits for all subse-  
14          quent calendar years.

15          (2) ORIGINAL CBO COST ESTIMATE.—For pur-  
16          poses of paragraph (1), the original CBO cost esti-  
17          mate for the medicare prescription drug benefit for  
18          a fiscal year is the following (as specified in the  
19          communication of November 20, 2003, of the Direc-  
20          tor of the Congressional Budget Office to conferees  
21          for “CBO Estimate of Effect on Direct Spending  
22          and Revenues of Conference Agreement on H.R. 1”  
23          as the changes in direct spending (outlays) attrib-  
24          utable to the prescription drug benefit (titleI)):

25                (A) For fiscal year 2006, \$25.7 billion.

1 (B) For fiscal year 2007, \$39.0 billion.

2 (C) For fiscal year 2008, \$44.6 billion.

3 (D) For fiscal year 2009, \$48.7 billion.

4 (E) For fiscal year 2010, \$53.7 billion.

5 (F) For fiscal year 2011, \$58.6 billion.

6 (G) For fiscal year 2012, \$65.3 billion.

7 (H) For fiscal year 2013, \$73.1 billion.

8 (b) CONFORMING AMENDMENT.—Section 1860D–  
9 11(i)(1) of the Social Security Act (42 U.S.C. 1395w–  
10 111(i)(1)) is amended by inserting “subject to section 2(a)  
11 of the Medicare Drug Cost Credibility Act of 2005” before  
12 “may not interfere”.

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