

109TH CONGRESS  
1ST SESSION

# S. 1910

A bill to amend title XVIII of the Social Security Act to provide incentives to physicians for writing electronic prescriptions.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 24, 2005

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

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## A BILL

A bill to amend title XVIII of the Social Security Act to provide incentives to physicians for writing electronic prescriptions.

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; PURPOSE.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Electronic Prescription Drug Act of 2005”.

6       (b) PURPOSE.—The purpose of this Act is to provide  
7       a budget neutral financial incentive for the rapid adoption  
8       of electronic prescribing under the new medicare prescrip-  
9       tion drug program.

1 **SEC. 2. ELECTRONIC PRESCRIPTION INCENTIVES.**

2 Section 1860D–42 of the Social Security Act (42  
3 U.S.C. 1395w–152) is amended by adding at the end the  
4 following new subsection:

5 “(d) ELECTRONIC PRESCRIPTION INCENTIVES.—

6 “(1) PHYSICIAN PAYMENTS.—For each elec-  
7 tronic prescription written by a physician during the  
8 period beginning on January 1, 2006, and ending on  
9 December 31, 2009, the PDP sponsor of a prescrip-  
10 tion drug plan shall make a payment of an amount  
11 equal to—

12 “(A) \$1.00, minus

13 “(B) an amount equal to the percentage of  
14 total claims that consist of electronic claims, as  
15 determined under subparagraphs (A) and (B)  
16 of paragraph (3) (expressed in cents).

17 “(2) DISPENSING FEE OFFSET REDUCTION.—

18 For each non-electronic prescription written by a  
19 physician during the period described in paragraph  
20 (1), the PDP sponsor of a prescription drug plan  
21 shall reduce the dispensing fee established in accord-  
22 ance with section 1860D–4(c)(2)(E) by an amount  
23 equal to—

24 “(A) \$1.00, minus

25 “(B) an amount equal to the percentage of  
26 total claims that consist of non-electronic

1 claims, as determined under subparagraphs (A)  
2 and (B) of paragraph (3) (expressed in cents).

3 “(3) DATA USED.—

4 “(A) INITIAL ESTIMATE.—Subject to the  
5 update required under subparagraph (B), in de-  
6 termining the percentage of total claims that  
7 consist of electronic claims and the percentage  
8 of total claims that consist of non-electronic  
9 claims, the Secretary shall use an estimate of  
10 the number of electronic claims and non-elec-  
11 tronic claims that will be submitted as of Janu-  
12 ary 1, 2006.

13 “(B) UPDATE.—For each 6 month period  
14 beginning after January 1, 2006, the Secretary  
15 shall update the estimate of the number of elec-  
16 tronic claims and non-electronic claims used to  
17 determine the percentage of total claims that  
18 consist of electronic claims and the percentage  
19 of total claims that consist of non-electronic  
20 claims.

21 To the extent feasible, the Secretary shall use the  
22 most recent data available, including real-time data  
23 on drug claims submitted under this part, to deter-  
24 mine the percentage of total claims that consist of

1        electronic claims and the percentage of total claims  
2        that consist of non-electronic claims.

3            “(4) REGULATIONS.—The Secretary shall es-  
4        tablish regulations and procedures for carrying out  
5        this subsection.”.

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