

109TH CONGRESS  
2D SESSION

# S. 2181

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

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## IN THE SENATE OF THE UNITED STATES

JANUARY 20, 2006

Mr. LAUTENBERG (for himself, Ms. SNOWE, Mr. SCHUMER, Mr. COLEMAN, Mrs. FEINSTEIN, Mr. PRYOR, Mr. DEWINE, Mrs. BOXER, Mr. MENENDEZ, Ms. COLLINS, Mr. DAYTON, Mr. REED, Mr. JEFFORDS, Mrs. LINCOLN, Mr. LEAHY, Mr. WYDEN, Ms. STABENOW, Mr. JOHNSON, Mr. KENNEDY, Mr. DORGAN, Mr. LIEBERMAN, Mrs. CLINTON, Mr. CHAFEE, and Mr. DODD) introduced the following bill; which was read twice and referred to the Committee on Finance

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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 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,*

3       **SECTION 1. SHORT TITLE.**

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

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

5 Section 1935(c) of the Social Security Act (42 U.S.C.  
 6 1396v(c)) is amended—

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

10 (2) by adding at the end the following new  
 11 paragraph:

12 “(7) OFFSET FOR STATE PRESCRIPTION DRUG  
 13 EXPENDITURES FOR COVERED PART D DRUGS FOR  
 14 MEDICARE BENEFICIARIES.—

15 “(A) IN GENERAL.—The amount of pay-  
 16 ment for a month (beginning with January  
 17 2006) under paragraph (1) shall be reduced by  
 18 an amount equal to the sum of—

19 “(i) the amount (as documented by  
 20 the State) that the State expended during  
 21 the month for payment for covered part D  
 22 drugs for part D eligible individuals who  
 23 are enrolled in a prescription drug plan  
 24 under part D of title XVIII but were un-  
 25 able to access on a timely basis prescrip-

tion drug benefits to which they were entitled under such plan; and

“(ii) interest on such amount (for the period beginning on the day after the date on which an expenditure described in subparagraph (A) is made and ending on the date on which payment is made under paragraph (1)) at a rate equal to the weighted average of interest on 3-month marketable Treasury securities determined for such period, increased by 0.1 percentage point.

“(B) RECOVERY OF REDUCED PAYMENT FROM PRESCRIPTION DRUG PLANS.—The Secretary shall provide for recovery of payment reductions made under subparagraph (A) from those prescription drug plans under part D of title XVIII or MA–PD plans under part C of such title that would otherwise be responsible for the expenditures described in subparagraph (A)(i). Any such amounts recovered shall be deposited into the Medicare Prescription Drug Account in the Federal Supplementary Medical Insurance Trust Fund.”.

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