

109TH CONGRESS
1ST SESSION

S. 345

To amend title XVIII of the Social Security Act to deliver a meaningful benefit and lower prescription drug prices under the medicare program.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 10, 2005

Mr. DURBIN 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 deliver a meaningful benefit and lower prescription drug prices under the medicare program.

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 Prescription
5 Drug Savings and Choice Act of 2005”.

6 **SEC. 2. ESTABLISHMENT OF MEDICARE OPERATED PRE-**
7 **SCRIPTION DRUG PLAN OPTION.**

8 (a) IN GENERAL.—Subpart 2 of part D of the Social
9 Security Act is amended by inserting after section 1860D—
10 11 the following new section:

1 “(c) MEDICARE OPERATED PRESCRIPTION DRUG
2 PLAN DEFINED.—For purposes of this part, the term
3 ‘medicare operated prescription drug plan’ means a pre-
4 scription drug plan that offers qualified prescription drug
5 coverage and access to negotiated prices described in sec-
6 tion 1860D–2(a)(1)(A). Such a plan may offer supple-
7 mental prescription drug coverage in the same manner as
8 other qualified prescription drug coverage offered by other
9 prescription drug plans.

10 “(d) MONTHLY BENEFICIARY PREMIUM.—

11 “(1) QUALIFIED PRESCRIPTION DRUG COV-
12 ERAGE.—The monthly beneficiary premium for
13 qualified prescription drug coverage and access to
14 negotiated prices described in section 1860D–
15 2(a)(1)(A) to be charged under a medicare operated
16 prescription drug plan shall be uniform nationally.
17 Such premium for months in 2006 shall be \$35 and
18 for months in succeeding years shall be based on the
19 average monthly per capita actuarial cost of offering
20 the medicare operated prescription drug plan for the
21 year involved, including administrative expenses.

22 “(2) SUPPLEMENTAL PRESCRIPTION DRUG COV-
23 ERAGE.—Insofar as a medicare operated prescrip-
24 tion drug plan offers supplemental prescription drug

1 coverage, the Secretary may adjust the amount of
2 the premium charged under paragraph (1).

3 “(3) REQUIREMENT FOR AT LEAST ONE PLAN
4 WITH A \$35 PREMIUM IN 2006.—The Secretary shall
5 ensure that at least one medicare operated prescrip-
6 tion drug plan offered in 2006 has a monthly pre-
7 mium of \$35.”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 1860D–3(a) of the Social Security
10 Act (42 U.S.C. 1395w–103(a)) is amended by add-
11 ing at the end the following new paragraph:

12 “(4) AVAILABILITY OF THE MEDICARE OPER-
13 ATED PRESCRIPTION DRUG PLAN.—

14 “(A) IN GENERAL.—A medicare operated
15 prescription drug plan (as defined in section
16 1860D–11A(c)) shall be offered nationally in
17 accordance with section 1860D–11A.

18 “(B) RELATIONSHIP TO OTHER PLANS.—

19 “(i) IN GENERAL.—Subject to clause
20 (ii), a medicare operated prescription drug
21 plan shall be offered in addition to any
22 qualifying plan or fallback prescription
23 drug plan offered in a PDP region and
24 shall not be considered to be such a plan

1 for purposes of meeting the requirements
2 of this subsection.

3 “(ii) DESIGNATION AS A FALLBACK
4 PLAN.—Notwithstanding any other provi-
5 sion of this part, the Secretary may des-
6 ignate the medicare operated prescription
7 drug plan as the fallback prescription drug
8 plan for any fallback service area (as de-
9 fined in section 1860D–11(g)(3)) deter-
10 mined to be appropriate by the Sec-
11 retary.”.

12 (2) Section 1860D–13(c)(3) of such Act (42
13 U.S.C. 1395w–113(c)(3)) is amended—

14 (A) in the heading, by inserting “and
15 medicare operated prescription drug plans”
16 after “Fallback plans”; and

17 (B) by inserting “or a medicare operated
18 prescription drug plan” after “a fallback pre-
19 scription drug plan”.

20 (3) Section 1860D–16(b)(1) of such Act (42
21 U.S.C. 1395w–116(b)(1)) is amended—

22 (A) in subparagraph (C), by striking
23 “and” after the semicolon at the end;

24 (B) in subparagraph (D), by striking the
25 period at the end and inserting “; and”; and

1 (C) by adding at the end the following new
2 subparagraph:

3 “(E) payments for expenses incurred with
4 respect to the operation of medicare operated
5 prescription drug plans under section 1860D–
6 11A.”.

7 (4) Section 1860D–41(a) of such Act (42
8 U.S.C. 141(a)) is amended by adding at the end the
9 following new paragraph:

10 “(19) MEDICARE OPERATED PRESCRIPTION
11 DRUG PLAN.—The term ‘medicare operated prescrip-
12 tion drug plan’ has the meaning given such term in
13 section 1860D–11A(c).”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall take effect as if included in the enact-
16 ment of section 101 of the Medicare Prescription Drug,
17 Improvement, and Modernization Act of 2003 (Public Law
18 108–173; 117 Stat. 2071).

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