

110TH CONGRESS  
1ST SESSION

# H. R. 4

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## AN ACT

To amend part D of title XVIII of the Social Security Act to require the Secretary of Health and Human Services to negotiate lower covered part D drug prices on behalf of 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 Prescription  
3 Drug Price Negotiation Act of 2007”.

4 **SEC. 2. NEGOTIATION OF LOWER COVERED PART D DRUG**  
5 **PRICES ON BEHALF OF MEDICARE BENE-**  
6 **FICIARIES.**

7       (a) NEGOTIATION BY HHS.—Section 1860D–11 of  
8 the Social Security Act (42 U.S.C. 1395w–111) is amend-  
9 ed by striking subsection (i) (relating to noninterference)  
10 and inserting the following:

11       “(i) NEGOTIATION OF LOWER DRUG PRICES.—

12           “(1) IN GENERAL.—Notwithstanding any other  
13 provision of law, the Secretary shall negotiate with  
14 pharmaceutical manufacturers the prices (including  
15 discounts, rebates, and other price concessions) that  
16 may be charged to PDP sponsors and MA organiza-  
17 tions for covered part D drugs for part D eligible in-  
18 dividuals who are enrolled under a prescription drug  
19 plan or under an MA–PD plan.

20           “(2) NO CHANGE IN RULES FOR  
21 FORMULARIES.—

22           “(A) IN GENERAL.—Nothing in paragraph  
23 (1) shall be construed to authorize the Sec-  
24 retary to establish or require a particular for-  
25 mulary.

1           “(B) CONSTRUCTION.—Subparagraph (A)  
2           shall not be construed as affecting the Sec-  
3           retary’s authority to ensure appropriate and  
4           adequate access to covered part D drugs under  
5           prescription drug plans and under MA–PD  
6           plans, including compliance of such plans with  
7           formulary requirements under section 1860D–  
8           4(b)(3).

9           “(3) CONSTRUCTION.—Nothing in this sub-  
10          section shall be construed as preventing the sponsor  
11          of a prescription drug plan, or an organization offer-  
12          ing an MA–PD plan, from obtaining a discount or  
13          reduction of the price for a covered part D drug  
14          below the price negotiated under paragraph (1).

15          “(4) SEMI-ANNUAL REPORTS TO CONGRESS.—  
16          Not later than June 1, 2007, and every six months  
17          thereafter, the Secretary shall submit to the Com-  
18          mittees on Ways and Means, Energy and Commerce,  
19          and Oversight and Government Reform of the House  
20          of Representatives and the Committee on Finance of  
21          the Senate a report on negotiations conducted by the  
22          Secretary to achieve lower prices for Medicare bene-  
23          ficiaries, and the prices and price discounts achieved  
24          by the Secretary as a result of such negotiations.”.

1       (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) shall take effect on the date of the enact-  
3 ment of this Act and shall first apply to negotiations and  
4 prices for plan years beginning on January 1, 2008.

Passed the House of Representatives January 12,  
2007.

Attest:

*Clerk.*



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