

115TH CONGRESS  
1ST SESSION

# H. R. 242

To amend part D of title XVIII of the Social Security Act to require the Secretary of Health and Human Services to negotiate covered part D drug prices on behalf of Medicare beneficiaries.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 2017

Mr. WELCH (for himself, Ms. SCHAKOWSKY, Ms. DELAURO, Mr. CUMMINGS, Mr. ELLISON, Mr. POCAN, Mr. CICILLINE, Ms. KAPTUR, Mr. LIPINSKI, Ms. MCCOLLUM, Ms. CASTOR of Florida, Mr. GRIJALVA, Mr. LYNCH, Mr. COHEN, Ms. MICHELLE LUJAN GRISHAM of New Mexico, and Mr. CARTWRIGHT) 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 amend part D of title XVIII of the Social Security Act to require the Secretary of Health and Human Services to negotiate 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Medicare Prescription  
5 Drug Price Negotiation Act of 2017”.

1 **SEC. 2. NEGOTIATION OF LOWER COVERED PART D DRUG**  
2 **PRICES ON BEHALF OF MEDICARE BENE-**  
3 **FICIARIES.**

4 (a) **NEGOTIATION BY SECRETARY.**—Section 1860D–  
5 11 of the Social Security Act (42 U.S.C. 1395w–111) is  
6 amended by striking subsection (i) (relating to noninter-  
7 ference) and inserting the following:

8 “(i) **NEGOTIATION OF LOWER DRUG PRICES.**—

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

17 “(2) **NO CHANGE IN RULES FOR**  
18 **FORMULARIES.**—

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

23 “(B) **CONSTRUCTION.**—Subparagraph (A)  
24 shall not be construed as affecting the Sec-  
25 retary’s authority to ensure appropriate and  
26 adequate access to covered part D drugs under

1 prescription drug plans and under MA–PD  
2 plans, including compliance of such plans with  
3 formulary requirements under section 1860D–  
4 4(b)(3).

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

11 “(4) SEMI-ANNUAL REPORTS TO CONGRESS.—  
12 Not later than June 1, 2018, and every 6 months  
13 thereafter, the Secretary shall submit to the Com-  
14 mittees on Ways and Means, Energy and Commerce,  
15 and Oversight and Government Reform of the House  
16 of Representatives and the Committee on Finance of  
17 the Senate a report on negotiations conducted by the  
18 Secretary to achieve lower prices for Medicare bene-  
19 ficiaries, and the prices and price discounts achieved  
20 by the Secretary as a result of such negotiations.”.

21 (b) EFFECTIVE DATE.—The amendment made by  
22 subsection (a) shall take effect on the date of the enact-  
23 ment of this Act and shall first apply to negotiations and  
24 prices for plan years beginning on January 1, 2018.

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