

118TH CONGRESS  
1ST SESSION

# S. 1264

To amend title XVIII of the Social Security Act to strengthen the drug pricing reforms in the Inflation Reduction Act.

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## IN THE SENATE OF THE UNITED STATES

APRIL 25, 2023

Ms. KLOBUCHAR (for herself, Mr. WELCH, Mrs. GILLIBRAND, Mr. HEINRICH, Mr. MERKLEY, Ms. STABENOW, Mr. REED, Mr. WHITEHOUSE, Mr. BLUMENTHAL, Ms. CORTEZ MASTO, Ms. HASSAN, Mr. KING, Ms. CANTWELL, Mrs. SHAHEEN, Ms. BALDWIN, Mr. DURBIN, Mr. BROWN, Mr. BOOKER, Ms. SMITH, Ms. WARREN, Mrs. MURRAY, Mr. CARDIN, Mr. MARKEY, and Ms. DUCKWORTH) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XVIII of the Social Security Act to strengthen the drug pricing reforms in the Inflation Reduction Act.

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 “Strengthening Medi-  
5 care and Reducing Taxpayer Prices Act” or the “SMART  
6 Prices Act”.

1 **SEC. 2. REPEAL OF THE MEDICARE PART D NONINTER-**  
2 **REFERENCE CLAUSE.**

3 Section 1860D–11 of the Social Security Act (42  
4 U.S.C. 1395w–111) is amended by striking subsection (i).

5 **SEC. 3. IMPROVEMENTS TO THE MEDICARE DRUG PRICE**  
6 **NEGOTIATION PROGRAM.**

7 (a) ACCELERATION OF THE SELECTION OF NEGOTIA-  
8 TION-ELIGIBLE DRUGS.—

9 (1) IN GENERAL.—Section 1192(a) of the So-  
10 cial Security Act (42 U.S.C. 1320f–1(a)) is amend-  
11 ed—

12 (A) in paragraph (1)—

13 (i) by striking “10” and inserting  
14 “20”; and

15 (ii) by inserting “and” after the semi-  
16 colon at the end;

17 (B) by striking paragraph (2) and redesign-  
18 ating paragraph (3) as paragraph (2);

19 (C) in paragraph (2), as redesignated by  
20 subparagraph (B) of this paragraph—

21 (i) by striking “2028, 15 negotiation-  
22 eligible drugs” and inserting “2027 or a  
23 subsequent year, 40 negotiation-eligible  
24 drugs”; and

25 (ii) by striking “; and” at the end and  
26 inserting a period; and

1 (D) by striking paragraph (4).

2 (2) CONFORMING AMENDMENTS.—Section 1192  
3 of the Social Security Act (42 U.S.C. 1320f–1) is  
4 amended—

5 (A) in subsection (b)(2)—

6 (i) in the paragraph heading, by strik-  
7 ing “AND 2027”; and

8 (ii) by striking “and with respect to  
9 the initial price applicability year 2027”;  
10 and

11 (B) in subsection (d)(1), in the matter pre-  
12 ceding subparagraph (A), by striking “or  
13 2027”.

14 (b) IMPROVEMENTS TO THE DEFINITION OF QUALI-  
15 FYING SINGLE SOURCE DRUG.—Section 1192(e)(1) of the  
16 Social Security Act (42 U.S.C. 1320f–1(e)(1)) is amend-  
17 ed—

18 (1) in subparagraph (A)(ii), by striking “7  
19 years” and inserting “3 years”; and

20 (2) in subparagraph (B)(ii), by striking “11  
21 years” and inserting “3 years”.

22 (c) IMPROVEMENT TO THE CEILING FOR MAXIMUM  
23 FAIR PRICE.—Section 1194(c)(3) of the Social Security  
24 Act (42 U.S.C. 1320f–3(c)(3)) is amended—

1           (1) in subparagraph (A), by striking “75 per-  
2           cent” and inserting “76 percent”;

3           (2) in subparagraph (B), by striking “65 per-  
4           cent” and inserting “55 percent”; and

5           (3) in subparagraph (C), by striking “40 per-  
6           cent” and inserting “30 percent”.

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