

112TH CONGRESS  
1ST SESSION

# S. 31

To amend part D of title XVIII of the Social Security Act to authorize the Secretary of Health and Human Services to negotiate for lower prices for Medicare prescription drugs.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 25 (legislative day, JANUARY 5), 2011

Mr. FRANKEN introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend part D of title XVIII of the Social Security Act to authorize the Secretary of Health and Human Services to negotiate for lower prices for Medicare prescription drugs.

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 “Prescription Drug and  
5 Health Improvement Act of 2011”.

6 **SEC. 2. NEGOTIATING FAIR PRICES FOR MEDICARE PRE-**  
7 **SCRIPTION DRUGS.**

8 (a) NEGOTIATING FAIR PRICES.—

1           (1) IN GENERAL.—Section 1860D–11 of the  
2           Social Security Act (42 U.S.C. 1395w–111) is  
3           amended by striking subsection (i) (relating to non-  
4           interference) and by inserting the following:

5           “(i) AUTHORITY TO NEGOTIATE PRICES WITH MAN-  
6           UFACTURERS.—In order to ensure that beneficiaries en-  
7           rolled under prescription drug plans and MA–PD plans  
8           pay the lowest possible price, the Secretary shall have au-  
9           thority similar to that of other Federal entities that pur-  
10          chase prescription drugs in bulk to negotiate contracts  
11          with manufacturers of covered part D drugs, consistent  
12          with the requirements and in furtherance of the goals of  
13          providing quality care and containing costs under this  
14          part.”.

15          (2) EFFECTIVE DATE.—The amendment made  
16          by paragraph (1) shall take effect on the date of the  
17          enactment of this Act.

18          (b) BIENNIAL REPORTS TO CONGRESS.—Not later  
19          than 1 year after the date of the enactment of this Act,  
20          and every 6 months thereafter, the Secretary of Health  
21          and Human Services shall submit to Congress a report  
22          on the negotiations conducted by the Secretary under sec-  
23          tion 1860D–11(i) of the Social Security Act (42 U.S.C.  
24          1395w–111(i)), as amended by subsection (a), including  
25          a description of how such negotiations are achieving lower

- 1 prices for covered part D drugs (as defined in section
- 2 1860D–2(e) of the Social Security Act (42 U.S.C. 1395w–
- 3 102(e)) for Medicare beneficiaries.

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