To establish a cap on costs for covered prescription drugs under Medicare parts B and D.

IN THE SENATE OF THE UNITED STATES

Mr. SANDERS (for himself and Ms. KLOBUCHAR) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To establish a cap on costs for covered prescription drugs under Medicare parts B and D.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Cutting Medicare Prescription Drug Prices in Half Act”.

SEC. 2. CAP ON COSTS FOR COVERED PRESCRIPTION DRUGS UNDER MEDICARE PARTS B AND D.

(a) IN GENERAL.—Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended by adding at the end the following new section:
“SEC. 1899C. CAP ON COSTS FOR COVERED PRESCRIPTION DRUGS UNDER MEDICARE PARTS B AND D.

“(a) IN GENERAL.—In no case may the amount of payment for a drug or biological under part B or a covered part D drug (as defined in section 1860D–2(e)) under a prescription drug plan under part D exceed the lower of the following:

“(1) The amount paid by the Secretary of Veterans Affairs to procure the drug under the laws administered by the Secretary.

“(2) The amount paid to procure the drug through the Federal Supply Schedule of the General Services Administration.

“(b) MANUFACTURER REQUIREMENT.—In order for coverage to be available under part B for a drug or biological of a manufacturer or under part D for a covered part D drug of a manufacturer, the manufacturer must agree to provide such drug or biological to providers of services and suppliers under part B or such covered part D drug to prescription drug plans under part D for an amount that does not exceed the maximum payment amount applicable under subsection (a).

“(c) ACCESS TO PRICING INFORMATION.—The Secretary of Veterans Affairs and the Administrator of General Services shall provide to the Secretary of Health and Human Services the information described in paragraphs
(1) and (2), respectively, of subsection (a) and such other information as the Secretary of Health and Human Services may request in order to carry out this section.

“(d) Effective Date.—This section shall apply with respect to drugs furnished or dispensed on or after January 1, 2024.”.

(b) Conforming Amendments.—

(1) Application Under Part B.—Section 1847A of the Social Security Act (42 U.S.C. 1395w–3a) is amended—

(A) in subsection (b)(1), by striking “and (e)” and inserting “(e), and (i)”;

(B) by redesignating subsection (i) as subsection (j); and

(C) by inserting after subsection (h) the following subsection:

“(i) Application of Cap on Costs for Part B Drugs.—Notwithstanding the preceding provisions of this subsection, the amount of payment under this section for a drug or biological furnished on or after January 1, 2024, shall not exceed the maximum payment amount applicable to the drug or biological under section 1899C(a).”.

(2) Application as Negotiated Price Under Part D.—Section 1860D–2(d)(1)(B) of the Social Security Act (42 U.S.C. 1395w–
102(d)(1)(B)) is amended by adding at the end the following new sentence: “Notwithstanding any other provision of this part, the negotiated price used for payment for a covered part D drug dispensed on or after January 1, 2024, shall not exceed the maximum payment amount applicable to the covered part D drug under section 1899C(a).”.