

**AMENDMENT TO COMMITTEE PRINT OF TITLE II
OFFERED BY MS. BALDWIN OF WISCONSIN**

Add at the end the following new section:

1 **SEC. _____. NEGOTIATION OF LOWER COVERED PART D**
2 **DRUG PRICES ON BEHALF OF MEDICARE**
3 **BENEFICIARIES.**

4 (a) **NEGOTIATION BY HHS.**—Section 1860D–11 of
5 the Social Security Act (42 U.S.C. 1395w–111) is amend-
6 ed by striking subsection (i) (relating to noninterference)
7 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-

1 retary to establish or require a particular for-
2 mulary.

3 “(B) CONSTRUCTION.—Subparagraph (A)
4 shall not be construed as affecting the Sec-
5 retary’s authority to ensure appropriate and
6 adequate access to covered part D drugs under
7 prescription drug plans and under MA–PD
8 plans, including compliance of such plans with
9 formulary requirements under section 1860D–
10 4(b)(3).

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

17 “(4) SEMI-ANNUAL REPORTS TO CONGRESS.—
18 Not later than December 1, 2012, and every six
19 months thereafter, the Secretary shall submit to the
20 Committees on Ways and Means, Energy and Com-
21 merce, and Oversight and Government Reform of
22 the House of Representatives and the Committee on
23 Finance of the Senate a report on negotiations con-
24 ducted by the Secretary to achieve lower prices for
25 Medicare beneficiaries, and the prices and price dis-

1 counts achieved by the Secretary as a result of such
2 negotiations.”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 subsection (a) shall take effect on the date of the enact-
5 ment of this Act and shall first apply to negotiations and
6 prices for plan years beginning on January 1, 2013.

