

---

## S 1699

### Prescription Drug Cost Reduction Act

**Congress:** 112 (2011–2013, Ended)

**Chamber:** Senate

**Policy Area:** Health

**Introduced:** Oct 12, 2011

**Current Status:** Read twice and referred to the Committee on Finance.

**Latest Action:** Read twice and referred to the Committee on Finance. (Oct 12, 2011)

**Official Text:** <https://www.congress.gov/bill/112th-congress/senate-bill/1699>

---

### Sponsor

**Name:** Sen. Kohl, Herb [D-WI]

**Party:** Democratic • **State:** WI • **Chamber:** Senate

---

### Cosponsors

*No cosponsors are listed for this bill.*

---

### Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Oct 12, 2011

---

### Subjects & Policy Tags

#### Policy Area:

Health

---

### Related Bills

*No related bills are listed.*

Prescription Drug Cost Reduction Act - Amends title XVIII (Medicare) of the Social Security Act to direct the Secretary of Health and Human Services (HHS) to establish a program requiring a manufacturer to provide a rebate to the Secretary for drugs or biologicals furnished under Medicare part B (Supplementary Medical Insurance).

Requires the Secretary to negotiate a contract with a manufacturer to establish the amount of payment under Medicare part B for any drug or biological for which the Medicare part B program is the majority purchaser.

Requires that payment for both a drug or biological functionally equivalent to another drug or biological and that other drug or biological to be the same as for the least costly of them.

Directs the Secretary of HHS to study physician reimbursement for drugs and biologicals furnished under Medicare part B.

Imposes on a pharmacy benefit manager (PBM) specified fiduciary duties to the head of each federal agency with which the PBM contracts.

Requires the Secretary to develop a form for use by physicians and practitioners to certify that any off-label use (not approved by the Food and Drug Administration [FDA]) for which an applicable drug is prescribed under Medicare is for a medically accepted indication.

Amends the Public Health Service Act to: (1) include among "340B" program-covered entities (permitted to buy outpatient drugs at significant discounts) the Program of All-Inclusive Care for the Elderly (PACE); and (2) direct the Secretary to establish a mechanism to ensure that a manufacturer does not pay a duplicate discount with respect to a drug subject to a 340B program agreement if the PACE program receives any rebate (including any negotiated price concessions) for the drug under Medicare part D (Voluntary Prescription Drug Benefit Program).

Makes an organization offering prescription drug coverage eligible to receive from the Secretary 10% of the estimated annual savings to the federal government as a result of the organization's participation in the drug discount program under the Public Health Service Act.

### **Actions Timeline**

---

- **Oct 12, 2011:** Introduced in Senate
- **Oct 12, 2011:** Read twice and referred to the Committee on Finance.