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Medicare Drug Price Negotiation Act

Congress: 116 (2019–2021, Ended)

Chamber: Senate

Policy Area: Health

Introduced: Jan 10, 2019

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

Latest Action: Read twice and referred to the Committee on Finance. (Jan 10, 2019)

Official Text: <https://www.congress.gov/bill/116th-congress/senate-bill/99>

Sponsor

Name: Sen. Sanders, Bernard [I-VT]

Party: Independent • **State:** VT • **Chamber:** Senate

Cosponsors (8 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Booker, Cory A. [D-NJ]	D · NJ		Jan 10, 2019
Sen. Gillibrand, Kirsten E. [D-NY]	D · NY		Jan 10, 2019
Sen. Harris, Kamala D. [D-CA]	D · CA		Jan 10, 2019
Sen. Leahy, Patrick J. [D-VT]	D · VT		Jan 10, 2019
Sen. Reed, Jack [D-RI]	D · RI		Jan 10, 2019
Sen. Smith, Tina [D-MN]	D · MN		Jan 10, 2019
Sen. Warren, Elizabeth [D-MA]	D · MA		Jan 10, 2019
Sen. Blumenthal, Richard [D-CT]	D · CT		Apr 30, 2019

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jan 10, 2019

Subjects & Policy Tags

Policy Area:

Health

Related Bills

Bill	Relationship	Last Action
116 HR 448	Identical bill	Sep 25, 2019: Subcommittee Hearings Held.

Medicare Drug Price Negotiation Act

This bill makes a series of changes relating to the prices of prescription drugs under the Medicare prescription drug benefit and Medicare Advantage (MA) prescription drug plans (PDPs).

Under current law, the Centers for Medicare & Medicaid Services (CMS) may neither negotiate the prices of covered drugs nor establish a formulary. The bill repeals these restrictions and instead specifically requires the CMS to (1) negotiate the prices of covered drugs; and (2) either establish a formulary for covered drugs, or require changes to PDP formularies that take into account CMS negotiations.

If the CMS is unable to negotiate an appropriate price for a drug in accordance with certain criteria, the price must be the lowest of three specified options (e.g., the average price in other countries). The CMS must identify drugs that are subject to negotiation, with priority given to certain categories of drugs based on usage and cost.

Additionally, drug manufacturers must issue rebates to the CMS for drugs dispensed to eligible low-income individuals. Subject to civil monetary penalties, a Medicare or MA PDP sponsor must report, both to drug manufacturers and to the CMS, specified information related to the determination and payment of such rebates.

Actions Timeline

- **Jan 10, 2019:** Introduced in Senate
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