

S 908

Medicare Drug Price Negotiation Act

Congress: 117 (2021–2023, Ended)

Chamber: Senate

Policy Area: Health

Introduced: Mar 23, 2021

Current Status: Committee on Health, Education, Labor, and Pensions Subcommittee on Primary Health and Retirement Security

Latest Action: Committee on Health, Education, Labor, and Pensions Subcommittee on Primary Health and Retirement Security. Hearings held. (Mar 23, 2021)

Official Text: <https://www.congress.gov/bill/117th-congress/senate-bill/908>

Sponsor

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

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

Cosponsors (8 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Blumenthal, Richard [D-CT]	D · CT		Mar 23, 2021
Sen. Booker, Cory A. [D-NJ]	D · NJ		Mar 23, 2021
Sen. Gillibrand, Kirsten E. [D-NY]	D · NY		Mar 23, 2021
Sen. Leahy, Patrick J. [D-VT]	D · VT		Mar 23, 2021
Sen. Padilla, Alex [D-CA]	D · CA		Mar 23, 2021
Sen. Reed, Jack [D-RI]	D · RI		Mar 23, 2021
Sen. Smith, Tina [D-MN]	D · MN		Mar 23, 2021
Sen. Warren, Elizabeth [D-MA]	D · MA		Mar 23, 2021

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Mar 23, 2021
Health, Education, Labor, and Pensions Committee	Senate	Hearings By (subcommittee)	Mar 23, 2021

Subjects & Policy Tags

Policy Area:

Health

Related Bills

Bill	Relationship	Last Action
117 HR 2139	Identical bill	Mar 24, 2021: Referred to the Subcommittee on Health.

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 median 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

- **Mar 23, 2021:** Introduced in Senate
- **Mar 23, 2021:** Read twice and referred to the Committee on Finance.
- **Mar 23, 2021:** Committee on Health, Education, Labor, and Pensions Subcommittee on Primary Health and Retirement Security. Hearings held.