

**AMENDMENT**

**OFFERED BY MR. WELCH OF VERMONT**

**Amendment drafted to the HEALTHY KIDS Act, October 2,  
2017 (8:42 p.m.)**

Strike section 203 and insert the following new section:

1 **SEC. 203. NEGOTIATION OF LOWER COVERED PART D DRUG**  
2 **PRICES ON BEHALF OF MEDICARE BENE-**  
3 **FICIARIES.**

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

1           “(2) NO CHANGE IN RULES FOR  
2 FORMULARIES.—

3           “(A) IN GENERAL.—Nothing in paragraph  
4 (1) shall be construed to authorize the Sec-  
5 retary to establish or require a particular for-  
6 mulary.

7           “(B) CONSTRUCTION.—Subparagraph (A)  
8 shall not be construed as affecting the Sec-  
9 retary’s authority to ensure appropriate and  
10 adequate access to covered part D drugs under  
11 prescription drug plans and under MA–PD  
12 plans, including compliance of such plans with  
13 formulary requirements under section 1860D–  
14 4(b)(3).

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

21           “(4) SEMI-ANNUAL REPORTS TO CONGRESS.—  
22 Not later than June 1, 2018, and every 6 months  
23 thereafter, the Secretary shall submit to the Com-  
24 mittees on Ways and Means, Energy and Commerce,  
25 and Oversight and Government Reform of the House

1 of Representatives and the Committee on Finance of  
2 the Senate a report on negotiations conducted by the  
3 Secretary to achieve lower prices for Medicare bene-  
4 ficiaries, and the prices and price discounts achieved  
5 by the Secretary as a result of such negotiations.”.

6 (b) EFFECTIVE DATE.—The amendment made by  
7 subsection (a) shall take effect on the date of the enact-  
8 ment of this Act and shall first apply to negotiations and  
9 prices for plan years beginning on January 1, 2018.

