

108TH CONGRESS  
2D SESSION

# S. 2343

To amend title XVIII of the Social Security Act to improve the medicare program, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

APRIL 22, 2004

Mr. CONRAD (for himself and Mrs. LINCOLN) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XVIII of the Social Security Act to improve the medicare program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; AMENDMENTS TO THE SOCIAL**  
4 **SECURITY ACT; REFERENCES TO MMA AND**  
5 **SECRETARY; TABLE OF CONTENTS.**

6 (a) SHORT TITLE.—This Act may be cited as the  
7 “Medicare Modernization Improvement Act of 2004”.

8 (b) AMENDMENTS TO SOCIAL SECURITY ACT.—Ex-  
9 cept as otherwise specifically provided, whenever an  
10 amendment is expressed in terms of an amendment to or

1 repeal of a section or other provision, the reference shall  
 2 be considered to be made to that section or other provision  
 3 of the Social Security Act.

4 (c) REFERENCES TO MMA AND SECRETARY.—In  
 5 this Act:

6 (1) MMA.—The term “MMA” means the Medi-  
 7 care Prescription Drug, Improvement, and Mod-  
 8 ernization Act of 2003 (117 Stat. 2066 et seq.).

9 (2) SECRETARY.—The term “Secretary” means  
 10 the Secretary of Health and Human Services.

11 (d) TABLE OF CONTENTS.—The table of contents of  
 12 this Act is as follows:

Sec. 1. Short title; amendments to the Social Security Act; references to MMA  
 and Secretary; table of contents.

TITLE I—PROVIDING MEDICARE BENEFICIARIES WITH LOWER,  
 NEGOTIATED PRESCRIPTION DRUG PRICES

Sec. 101. Negotiating fair prices for medicare prescription drugs.

Sec. 102. Importation of prescription drugs.

TITLE II—STABILIZING THE MEDICARE PRESCRIPTION DRUG  
 BENEFIT

Sec. 201. Requiring two prescription drug plans to avoid Federal fallback.

Sec. 202. Improving the stability of the drug benefit.

TITLE III—PROVIDING MEDICARE BENEFICIARIES WITH  
 SOURCES OF ADDITIONAL PRESCRIPTION DRUG COVERAGE

Sec. 301. Making available wraparound coverage through medigap.

TITLE IV—IMPROVED ACCESS TO PHARMACY CARE FOR  
 MEDICARE BENEFICIARIES

Sec. 401. Improving access to pharmacy care.

TITLE V—REPEAL OF HEALTH SAVINGS ACCOUNTS AND OTHER  
 EMPLOYER RELATED PROVISIONS

Sec. 501. Repeal of Health Savings Accounts.

TITLE VI—IMPROVEMENT OF CHRONIC CARE MANAGEMENT

Sec. 601. Medicare complex clinical care management payment demonstration.

TITLE VII—REQUIRING MORE APPROPRIATE PAYMENTS TO  
PRIVATE PLANS

Sec. 701. Elimination of MA regional plan stabilization fund (slush fund).

Sec. 702. Requiring private plan payments to reflect appropriate health risk adjustment.

Sec. 703. Phase-in private plan payment to 100 percent of fee-for-service rate.

TITLE VIII—REPEAL OF PREMIUM SUPPORT PROGRAM

Sec. 801. Repeal of premium support program.

TITLE IX—PROVIDING BETTER INFORMATION TO MEDICARE  
BENEFICIARIES

Sec. 901. Providing accurate information to beneficiaries.

Sec. 902. Providing medicare beneficiaries with better upfront drug coverage information.

Sec. 903. Ensuring medicare beneficiaries are informed of formulary changes.

TITLE X—FULL FUNDING AND EXPANSION FOR DEMONSTRATION  
PROJECT FOR COVERAGE OF CERTAIN PRESCRIPTION  
DRUGS AND BIOLOGICALS

Sec. 1001. Full funding and expansion for demonstration project for coverage of certain prescription drugs and biologicals.

1 **TITLE I—PROVIDING MEDICARE**  
2 **BENEFICIARIES WITH LOWER,**  
3 **NEGOTIATED PRESCRIPTION**  
4 **DRUG PRICES**

5 **SEC. 101. NEGOTIATING FAIR PRICES FOR MEDICARE PRE-**  
6 **SCRIPTION DRUGS.**

7 (a) IN GENERAL.—Section 1860D–11(i) (42 U.S.C.  
8 1395w–111(i)) is amended to read as follows:

9 “(i) AUTHORITY TO NEGOTIATE PRICES WITH MAN-  
10 UFACTURERS.—In order to ensure that beneficiaries en-  
11 rolled under prescription drug plans and MA–PD plans  
12 pay the lowest possible price, the Secretary shall have au-  
13 thority to negotiate contracts with manufacturers of cov-

1 ered part D drugs as necessary to reduce prices and pro-  
 2 tect access to needed drugs, consistent with the require-  
 3 ments and in furtherance of the goals of providing quality  
 4 care and containing costs under this part.”.

5 (b) EFFECTIVE DATE.—The amendment made by  
 6 this section shall take effect as if included in the enact-  
 7 ment of section 101 of MMA (117 Stat. 2071).

8 **SEC. 102. IMPORTATION OF PRESCRIPTION DRUGS.**

9 (a) IN GENERAL.—Section 804 of the Federal Food,  
 10 Drug, and Cosmetic Act (21 U.S.C. 535) is amended—

11 (1) by striking subsection (l); and

12 (2) by redesignating subsection (m) as sub-  
 13 section (l).

14 (b) EFFECTIVE DATE.—The amendments made by  
 15 this section shall take effect as if included in the enact-  
 16 ment of section 1121 of MMA (117 Stat. 2464).

17 **TITLE II—STABILIZING THE**  
 18 **MEDICARE PRESCRIPTION**  
 19 **DRUG BENEFIT**

20 **SEC. 201. REQUIRING TWO PRESCRIPTION DRUG PLANS TO**  
 21 **AVOID FEDERAL FALLBACK.**

22 Section 1860D–3(a) (42 U.S.C. 1395w–103(a)) is  
 23 amended—

24 (1) in paragraph (1)—

1 (A) by striking “qualifying plans (as de-  
2 fined in paragraph (3))” and inserting “pre-  
3 scription drug plans”; and

4 (B) by striking “, at least one of which is  
5 a prescription drug plan”;

6 (2) in paragraph (2), by striking “qualifying  
7 plans” and inserting “prescription drug plans”; and

8 (3) by striking paragraph (3).

9 **SEC. 202. IMPROVING THE STABILITY OF THE DRUG BEN-**  
10 **EFIT.**

11 (a) IN GENERAL.—Section 1860D–3 (42 U.S.C.  
12 1395w–103) is amended by adding at the end the fol-  
13 lowing new subsection:

14 “(c) FALLBACK PRESCRIPTION DRUG PLANS TO BE  
15 AVAILABLE FOR 2 YEARS.—Notwithstanding subsection  
16 (b)(2), if the Secretary provides for the offering of a fall-  
17 back prescription drug plan under subsection (a) in an  
18 area for a year, the following rules shall apply:

19 “(1) The fallback prescription drug plan shall  
20 be available for not less than a 2-year period.

21 “(2) The Secretary is not required to make the  
22 determination under subsection (a)(1) with respect  
23 to the second year in which the fallback prescription  
24 drug plan is offered in the area.

1           “(3) During the second year in which the fall-  
 2           back prescription drug plan is offered in an area,  
 3           any part D eligible individual residing in the area  
 4           (regardless of whether such individual was enrolled  
 5           in the fallback prescription drug plan during the  
 6           previous year) may elect to receive prescription drug  
 7           coverage under the fallback prescription drug plan  
 8           or through any other type of qualified prescription  
 9           drug coverage available in the area, subject to the  
 10          requirements of section 1860D-1.”.

11          (b) EFFECTIVE DATE.—The amendment made by  
 12          this section shall take effect as if included in the enact-  
 13          ment of section 101 of MMA (117 Stat. 2071).

14       **TITLE III—PROVIDING MEDI-**  
 15       **CARE BENEFICIARIES WITH**  
 16       **SOURCES OF ADDITIONAL**  
 17       **PRESCRIPTION DRUG COV-**  
 18       **ERAGE**

19       **SEC. 301. MAKING AVAILABLE WRAPAROUND COVERAGE**  
 20       **THROUGH MEDIGAP.**

21          (a) IN GENERAL.—Section 1882(v)(1) (42 U.S.C.  
 22          1395ss(v)(1)) is amended—

23               (1) in subparagraph (A), by inserting “, other  
 24               than such a policy that provides wraparound pre-  
 25               scription drug coverage included within a range of

1 such coverage approved under subparagraph  
2 (D)(ii),” after “paragraph (6)(A)”;

3 (2) by adding at the end the following new sub-  
4 paragraph:

5 “(D) WRAPAROUND PRESCRIPTION DRUG  
6 COVERAGE.—

7 “(i) IN GENERAL.—Notwithstanding  
8 any other provision of this subsection, a  
9 medigap Rx policy that provides wrap-  
10 around prescription drug coverage included  
11 within a range of such coverage approved  
12 by the Secretary under clause (ii) may be  
13 offered to part D enrollees.

14 “(ii) DEVELOPMENT OF STAND-  
15 ARDS.—The Secretary shall approve a  
16 range of wraparound prescription drug  
17 coverage that may be offered under this  
18 subparagraph to part D enrollees.”.

19 (b) EFFECTIVE DATE.—The amendments made by  
20 this section shall take effect as if included in the enact-  
21 ment of section 104 of MMA (117 Stat. 2161).

1 **TITLE IV—IMPROVED ACCESS**  
2 **TO PHARMACY CARE FOR**  
3 **MEDICARE BENEFICIARIES**

4 **SEC. 401. IMPROVING ACCESS TO PHARMACY CARE.**

5 (a) APPLICATION OF TRICARE PHARMACY ACCESS  
6 STANDARDS.—Section 1860D–4(b)(1)(C)(ii) (42 U.S.C.  
7 1395w–104(b)(1)(C)(ii)) is amended—

8 (1) by striking: “APPLICATION OF TRICARE  
9 STANDARDS.—The Secretary shall” and inserting  
10 the following: “APPLICATION OF TRICARE STAND-  
11 ARDS.—

12 “(I) The Secretary shall”; and

13 (2) by adding at the end the following new sub-  
14 clauses:

15 “(II) In determining whether  
16 convenient access has been provided  
17 under subclause (I), the Secretary  
18 may only consider community retail  
19 pharmacies (as defined by the Sec-  
20 retary) that are accessible to the gen-  
21 eral public. The Secretary may not  
22 consider pharmacies located in long-  
23 term care facilities, pharmacies lo-  
24 cated in skilled nursing facilities,  
25 pharmacies operated by the Indian

1 Health Service, Indian tribes or tribal  
2 organizations, or urban Indian organi-  
3 zations (as defined in section 4 of the  
4 Indian Health Care Improvement  
5 Act), mail order pharmacies, or phar-  
6 macies located in community health  
7 centers receiving funds under section  
8 330 of the Public Health Service Act.

9 “(III) The Secretary shall make  
10 a separate determination under sub-  
11 clause (I) with respect to each State  
12 within the region served by the pre-  
13 scription drug plan or MA–PD plan.”.

14 (b) LEVEL PLAYING FIELD.—Section 1860D–  
15 4(b)(1)(D) (42 U.S.C. 1395w–104(b)(1)(D)) is amended  
16 to read as follows:

17 “(D) LEVEL PLAYING FIELD.—Such a  
18 sponsor shall permit enrollees to receive the  
19 same amount, scope, and duration of drugs and  
20 biologicals (which may include a 90-day supply  
21 of drugs or biologicals) and medication therapy  
22 management services through any pharmacy  
23 (other than a mail order pharmacy) as the  
24 sponsor permits enrollees to receive through a

1 mail order pharmacy, with any differential in  
2 charge paid by such enrollees.”.

3 (c) PROVISION OF COVERAGE INFORMATION BY  
4 PHARMACIES.—Section 1860D–4(a) is amended by add-  
5 ing at the end the following new paragraph:

6 “(5) DISSEMINATION OF INFORMATION BY  
7 PHARMACISTS.—

8 “(A) PAYMENT TO PHARMACIES.—Subject  
9 to subparagraph (C)(ii), beginning on January  
10 1, 2006, and annually thereafter, the Secretary  
11 shall make an annual payment to each phar-  
12 macy participating in a pharmacy network of a  
13 PDP sponsor for providing information to en-  
14 rollees in prescription drug plans and MA–PD  
15 plans offered by that sponsor in an amount de-  
16 termined by the Secretary based on an estimate  
17 of the number of enrollees in prescription drug  
18 plans and MA–PD plans served by the phar-  
19 macy and taking into account the costs of the  
20 pharmacy in distributing such information and  
21 the availability of funding under subparagraph  
22 (C).

23 “(B) PROVISION OF INFORMATION TO  
24 PHARMACIES.—Each PDP sponsor offering a  
25 prescription drug plan or an MA–PD plan shall

1 furnish each pharmacy that participates in its  
 2 network with the information to be provided  
 3 under subparagraph (A).

4 “(C) FUNDING.—

5 “(i) IN GENERAL.—Subject to clause  
 6 (ii), the Secretary shall make payments  
 7 under subparagraph (A) from the Medicare  
 8 Prescription Drug Account.

9 “(ii) LIMITATION.—The Secretary  
 10 may not make any payments under sub-  
 11 paragraph (A) after the date on which a  
 12 total of \$500,000,000 have been expended  
 13 from such Account as a result of the appli-  
 14 cation of this paragraph.”.

15 (d) EFFECTIVE DATE.—The amendments made by  
 16 this section shall take effect as if included in the enact-  
 17 ment of section 101 of MMA (117 Stat. 2071).

18 **TITLE V—REPEAL OF HEALTH**  
 19 **SAVINGS ACCOUNTS AND**  
 20 **OTHER EMPLOYER RELATED**  
 21 **PROVISIONS**

22 **SEC. 501. REPEAL OF HEALTH SAVINGS ACCOUNTS.**

23 Section 1201 of MMA (117 Stat. 2469) is repealed  
 24 and any provisions of law amended by such section are  
 25 restored as if such section had not been enacted.

1       **TITLE VI—IMPROVEMENT OF**  
2       **CHRONIC CARE MANAGEMENT**

3       **SEC. 601. MEDICARE COMPLEX CLINICAL CARE MANAGE-**  
4               **MENT PAYMENT DEMONSTRATION.**

5       (a) ESTABLISHMENT.—

6               (1) IN GENERAL.—The Secretary shall establish  
7       a demonstration program to make the medicare pro-  
8       gram more responsive to needs of eligible bene-  
9       ficiaries by promoting continuity of care, helping  
10      stabilize medical conditions, preventing or mini-  
11      mizing acute exacerbations of chronic conditions,  
12      and reducing adverse health outcomes, such as ad-  
13      verse drug interactions related to polypharmacy.

14              (2) SITES.—The Secretary shall designate 10  
15      sites at which to conduct the demonstration program  
16      under this section, of which at least 4 shall be in a  
17      rural area. One of the sites shall be located in the  
18      State of Arkansas and 1 of the sites shall be in the  
19      State of North Dakota.

20              (3) DURATION.—The Secretary shall conduct  
21      the demonstration program under this section for a  
22      3-year period.

23              (4) IMPLEMENTATION.—The Secretary shall  
24      not implement the demonstration program before  
25      October 1, 2004.

1 (b) PARTICIPANTS.—Any eligible beneficiary who re-  
2 sides in an area designated by the Secretary as a dem-  
3 onstration site under subsection (a)(2) may participate in  
4 the demonstration program under this section if such ben-  
5 efiary identifies a care coordinator who agrees to manage  
6 the complex clinical care of the eligible beneficiary under  
7 the demonstration program.

8 (c) CARE COORDINATOR RESPONSIBILITIES.—The  
9 Secretary shall enter into an agreement with each care co-  
10 ordinator who agrees to manage the complex clinical care  
11 of an eligible beneficiary under subsection (b) under which  
12 the care coordinator shall—

13 (1) serve as the primary contact of the eligible  
14 beneficiary in accessing items and services for which  
15 payment may be made under the medicare program;

16 (2) maintain medical information related to  
17 care provided by other health care providers who  
18 provide health care items and services to the eligible  
19 beneficiary, including clinical reports, medication  
20 and treatments prescribed by other care coordina-  
21 tors, hospital and hospital outpatient services, skilled  
22 nursing home care, home health care, and medical  
23 equipment services;

1           (3) monitor and advocate for the continuity of  
2 care of the eligible beneficiary and the use of evi-  
3 dence-based guidelines;

4           (4) promote self-care and family caregiver in-  
5 volvement where appropriate;

6           (5) have appropriate staffing arrangements to  
7 conduct patient self-management and other care co-  
8 ordination activities as specified by the Secretary;

9           (6) refer the eligible beneficiary to community  
10 services organizations and coordinate the services of  
11 such organizations with the care provided by health  
12 care providers; and

13           (7) meet such other complex care management  
14 requirements as the Secretary may specify.

15 (d) COMPLEX CLINICAL CARE MANAGEMENT FEE.—

16           (1) PAYMENT.—Under an agreement entered  
17 into under subsection (c), the Secretary shall pay to  
18 each care coordinator, on behalf of each eligible ben-  
19 eficiary under the care of that care coordinator, the  
20 complex clinical care management fee developed by  
21 the Secretary under paragraph (2).

22           (2) DEVELOPMENT OF FEE.—The Secretary  
23 shall develop a complex care management fee under  
24 this paragraph that is paid on a monthly basis and  
25 which shall be payment in full for all the functions

1 performed by the care coordinator under the dem-  
2 onstration program, including any functions per-  
3 formed by other qualified practitioners acting on be-  
4 half of the care coordinator, appropriate staff under  
5 the supervision of the care coordinator, and any  
6 other person under a contract with the care coordi-  
7 nator, including any person who conducts patient  
8 self-management and caregiver education under sub-  
9 section (c)(4).

10 (e) FUNDING.—The Secretary shall provide for the  
11 transfer from the Federal Supplementary Insurance Trust  
12 Fund established under section 1841 of the Social Secu-  
13 rity Act (42 U.S.C. 1395t) of \$1,000,000,000 for the costs  
14 of carrying out the demonstration program under this sec-  
15 tion.

16 (f) WAIVER AUTHORITY.—The Secretary may waive  
17 such requirements of titles XI and XVIII of the Social  
18 Security Act (42 U.S.C. 1301 et seq.; 1395 et seq.) as  
19 may be necessary for the purpose of carrying out the dem-  
20 onstration program under this section.

21 (g) REPORT.—Not later than 6 months after the  
22 completion of the demonstration program under this sec-  
23 tion, the Secretary shall submit to Congress a report on  
24 such program, together with recommendations for such

1 legislation and administrative action as the Secretary de-  
2 termines to be appropriate.

3 (h) DEFINITIONS.—In this section:

4 (1) CARE COORDINATOR.—The term “care co-  
5 ordinator” means a physician (as defined in sub-  
6 section (r)(1)) or an entity that meets such condi-  
7 tions as the Secretary may specify (which may in-  
8 clude physicians, physician group practices, or other  
9 health care professionals or entities the Secretary  
10 may find appropriate) working in collaboration with  
11 a physician that—

12 (A) has entered into a care coordination  
13 agreement with the Secretary; and

14 (B) meets such other criteria as the Sec-  
15 retary may establish (which may include experi-  
16 ence in the provision of care coordination).

17 (2) CHRONIC CONDITION.—The term “chronic  
18 condition” means an illness, functional limitation, or  
19 cognitive impairment that is expected to last at least  
20 one year, limits the activities of an individual, and  
21 requires ongoing care.

22 (3) ELIGIBLE INDIVIDUAL.—For purposes of  
23 this subsection, the term “eligible individual” means  
24 an individual who has—

1 (A) multiple chronic conditions, including  
2 dementia;

3 (B) a high rate of use of covered part D  
4 drugs (as defined in section 1860D–2(e)(1));  
5 and

6 (C) a high rate of use of services for which  
7 payment is made under this title.

8 (4) MEDICARE PROGRAM.—The term “medicare  
9 program” means the health care program under title  
10 XVIII of the Social Security Act (42 U.S.C. 1395 et  
11 seq.).

12 (i) CONFORMING REPEAL.—

13 (1) REPEAL.—Section 649 of MMA (42 U.S.C.  
14 1395b–1 note) is repealed.

15 (2) EFFECTIVE DATE.—The amendment made  
16 by this subsection shall take effect as if such section  
17 649 was not included in the enactment of MMA  
18 (117 Stat. 2066 et seq.).

19 **TITLE VII—REQUIRING MORE**  
20 **APPROPRIATE PAYMENTS TO**  
21 **PRIVATE PLANS**

22 **SEC. 701. ELIMINATION OF MA REGIONAL PLAN STABILIZA-**  
23 **TION FUND (SLUSH FUND).**

24 (a) IN GENERAL.—Subsection (e) of section 1858 (42  
25 U.S.C. 1395w–27a) is repealed.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall take effect as if such subsection had not  
3 been included in the enactment of section 221(c) of MMA  
4 (117 Stat. 2181).

5 **SEC. 702. REQUIRING PRIVATE PLAN PAYMENTS TO RE-**  
6 **FLECT APPROPRIATE HEALTH RISK ADJUST-**  
7 **MENT.**

8 Effective January 1, 2005, in applying risk adjust-  
9 ment factors to payments to organizations under section  
10 1853 of the Social Security Act (42 U.S.C. 1395w-23)  
11 in a budget neutral manner—

12 (1) the Secretary shall ensure that such factors,  
13 in the aggregate, take into account the actuarial  
14 characteristics of the entire medicare population,  
15 and not merely the population of individuals enrolled  
16 under a plan under part C of title XVIII of such  
17 Act; and

18 (2) the Secretary shall not make any adjust-  
19 ments in the aggregate amount of payments under  
20 this part solely for the purpose of ensuring that such  
21 aggregate payments are not affected in whole or in  
22 part by the application of such risk adjustment fac-  
23 tors.

1 **SEC. 703. PHASE-IN PRIVATE PLAN PAYMENT TO 100 PER-**  
 2 **CENT OF FEE-FOR-SERVICE RATE.**

3 Notwithstanding any other provision of law, the Sec-  
 4 retary shall provide, in a phased-in manner over a 5-year  
 5 period beginning with 2005, for adjustment of payment  
 6 rates to organizations under section 1853 of the Social  
 7 Security Act (42 U.S.C. 1395w-23) so that, at the end  
 8 of such phase-in period, such payment rates reflect only  
 9 the payment rate described in subsection (c)(1)(D) of such  
 10 section (relating to 100 percent fee-for-service payment).

11 **TITLE VIII—REPEAL OF**  
 12 **PREMIUM SUPPORT PROGRAM**

13 **SEC. 801. REPEAL OF PREMIUM SUPPORT PROGRAM.**

14 Subtitle E of title II of MMA (117 Stat. 2214) is  
 15 repealed and any provisions of law amended by such sec-  
 16 tion are restored as if such subtitle had not been enacted.

17 **TITLE IX—PROVIDING BETTER**  
 18 **INFORMATION TO MEDICARE**  
 19 **BENEFICIARIES**

20 **SEC. 901. PROVIDING ACCURATE INFORMATION TO BENE-**  
 21 **FICIARIES.**

22 (a) IN GENERAL.—Section 1860D-1(c)(1) (42  
 23 U.S.C. 1395w-101(c)(1)) is amended by striking “Such  
 24 activities shall ensure that such information is first made  
 25 available” and inserting “Such activities shall ensure that  
 26 such information is not misleading, false, or deceptive and

1 appropriately targets part D eligible individuals (and pro-  
 2 spective eligible individuals). Funding expended for these  
 3 activities shall give priority to activities that directly target  
 4 part D eligible individuals (and prospective eligible individ-  
 5 uals), including face-to-face educational sessions with such  
 6 individuals. This information shall be made available”.

7 (b) EFFECTIVE DATE.—The amendment made by  
 8 this section shall take effect as if included in the enact-  
 9 ment of section 101 of MMA (117 Stat. 2071).

10 **SEC. 902. PROVIDING MEDICARE BENEFICIARIES WITH**  
 11 **BETTER UPFRONT DRUG COVERAGE INFOR-**  
 12 **MATION.**

13 (a) IN GENERAL.—Section 1860D–1(c) (42 U.S.C.  
 14 1395w–101(c)) is amended by adding at the end the fol-  
 15 lowing new paragraph:

16 “(5) DISCLOSURE BY PLAN SPONSORS OF  
 17 DRUG-SPECIFIC COVERAGE INFORMATION PRIOR TO  
 18 ENROLLMENT.—

19 “(A) IN GENERAL.—Upon the request of  
 20 any part D eligible individual, a PDP sponsor  
 21 offering a prescription drug plan or an MA or-  
 22 ganization offering an MA–PD plan shall dis-  
 23 close to the individual the information described  
 24 in subparagraph (B) during the period in which  
 25 the individual is eligible to elect coverage under

1 the plan so that such individual may take such  
2 information into account in determining wheth-  
3 er to enroll under the plan.

4 “(B) INFORMATION DESCRIBED.—The in-  
5 formation described in this subparagraph is as  
6 follows:

7 “(i) Access to specific covered part D  
8 drugs, including access through pharmacy  
9 networks.

10 “(ii) How any formulary (including  
11 any tiered formulary structure) used by  
12 the sponsor functions, including a descrip-  
13 tion of how a part D eligible individual  
14 may obtain information on the formulary  
15 consistent with section 1860D–4(a)(3).

16 “(iii) Beneficiary cost-sharing require-  
17 ments and how a part D eligible individual  
18 may obtain information on such require-  
19 ments, including tiered or other copayment  
20 level applicable to each drug (or class of  
21 drugs), consistent with section 1860D–  
22 4(a)(3).

23 “(iv) The medication therapy manage-  
24 ment program required under section  
25 1860D–4(c). The provisions of section

1           1927(b)(3)(D) shall apply to information  
2           disclosed to the Secretary under this para-  
3           graph.”.

4           (b) EFFECTIVE DATE.—The amendment made by  
5 this section shall take effect as if included in the enact-  
6 ment of section 101 of MMA (117 Stat. 2071).

7 **SEC. 903. ENSURING MEDICARE BENEFICIARIES ARE IN-**  
8 **FORMED OF FORMULARY CHANGES.**

9           (a) IN GENERAL.—Section 1860D–4(a)(3)(B) (42  
10 U.S.C. 1395w–104(a)(3)(B)) is amended to read as fol-  
11 lows:

12                   “(B) NOTIFICATION OF CHANGES IN FOR-  
13                   MULARY THROUGH THE INTERNET, MAIL, AND  
14                   TELEPHONE.—A PDP sponsor offering a pre-  
15                   scription drug plan shall make available infor-  
16                   mation on specific changes in the formulary  
17                   under the plan (including changes to tiered or  
18                   preferred status of covered part D drugs) on a  
19                   timely basis—

20                           “(i) through an Internet website;

21                           “(ii) by mailing a notice of the spe-  
22                   cific changes to each enrollee who may be  
23                   affected by such changes; and

1                   “(iii) through the toll-free telephone  
2                   number established under subparagraph  
3                   (A).”.

4           (b) EFFECTIVE DATE.—The amendment made by  
5 this section shall take effect as if included in the enact-  
6 ment of section 101 of MMA (117 Stat. 2071).

7 **TITLE X—FULL FUNDING AND**  
8 **EXPANSION FOR DEM-**  
9 **ONSTRATION PROJECT FOR**  
10 **COVERAGE OF CERTAIN PRE-**  
11 **SCRIPTION DRUGS AND**  
12 **BIOLOGICALS**

13 **SEC. 1001. FULL FUNDING AND EXPANSION FOR DEM-**  
14 **ONSTRATION PROJECT FOR COVERAGE OF**  
15 **CERTAIN PRESCRIPTION DRUGS AND**  
16 **BIOLOGICALS.**

17           (a) IN GENERAL.—Section 641 of MMA (42 U.S.C.  
18 1395l note) is amended—

19                   (1) by striking subsection (b) and inserting the  
20                   following new subsection:

21                   “(b) NATIONWIDE COVERAGE.—The project estab-  
22                   lished under this section shall be conducted throughout  
23                   the entire United States.”; and

24                   (2) in subsection (d)—

1 (A) in the matter preceding paragraph (1),  
2 by striking “may not” and inserting “shall”;

3 (B) by striking paragraph (1) and insert-  
4 ing the following new paragraph:

5 “(1) coverage for each medicare beneficiary for  
6 whom a drug or biological described in subsection  
7 (a) is prescribed; and”; and

8 (C) in paragraph (2), by striking “more  
9 than \$500,000,000 in funding” and inserting  
10 “for not more than \$2,100,000,000 in fund-  
11 ing”.

12 (b) EFFECTIVE DATE.—The amendments made by  
13 this section shall take effect as if included in the enact-  
14 ment of section 641 of MMA (177 Stat. 2321).

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