

109TH CONGRESS
2D SESSION

S. 3703

To provide for a temporary process for individuals entering the Medicare coverage gap to switch to a plan that provides coverage in the gap.

IN THE SENATE OF THE UNITED STATES

JULY 20, 2006

Ms. SNOWE (for herself and Mr. WYDEN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide for a temporary process for individuals entering the Medicare coverage gap to switch to a plan that provides coverage in the gap.

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.**

4 This Act may be cited as the “Medicare Prescription
5 Drug Lifeline Act of 2006”.

1 **SEC. 2. TEMPORARY PROCESS FOR INDIVIDUALS ENTER-**
 2 **ING THE MEDICARE COVERAGE GAP TO**
 3 **SWITCH TO A PLAN THAT PROVIDES COV-**
 4 **ERAGE IN THE GAP.**

5 (a) PROCESS.—Notwithstanding any other provision
 6 of law, by not later than 30 days after the date of enact-
 7 ment of this Act, the Secretary of Health and Human
 8 Services (in this section referred to as the “Secretary”)
 9 shall establish a process under which an applicable indi-
 10 vidual may terminate enrollment in the prescription drug
 11 plan or the MA–PD plan in which they are enrolled and
 12 enroll in any prescription drug plan or MA–PD plan—

13 (1) that provides some coverage of covered part
 14 D drugs (as defined in subsection (e) of section
 15 1860D–2 of the Social Security Act (42 U.S.C.
 16 1395w–102)) after the individual has reached the
 17 initial coverage limit under the plan but has not
 18 reached the annual out-of-pocket threshold under
 19 subsection (b)(4)(B) of such section; and

20 (2) subject to subsection (b), that serves the
 21 area in which the individual resides.

22 (b) SPECIAL RULE PERMITTING APPLICABLE INDIV-
 23 IDUALS TO ENROLL IN A PRESCRIPTION DRUG PLAN
 24 OUTSIDE OF THE REGION IN WHICH THE INDIVIDUAL
 25 RESIDES.—In the case of an applicable individual that re-
 26 sides in a PDP region under section 1860D–11(a)(2) of

1 the Social Security Act (42 U.S.C. 1395w–111(a)(2)) in
 2 which there is no prescription drug plan available that pro-
 3 vides some coverage of brand name covered part D drugs
 4 (as so defined) after the individual has reached the initial
 5 coverage limit under the plan but before the individual has
 6 reached such annual out-of-pocket threshold, the Sec-
 7 retary shall ensure that the process established under sub-
 8 section (a) permits the individual to enroll in a prescrip-
 9 tion drug plan that provides such coverage but is in an-
 10 other PDP region. The Secretary shall determine the PDP
 11 region in which the individual may enroll in such a pre-
 12 scription drug plan.

13 (c) NOTIFICATION OF APPLICABLE INDIVIDUALS.—
 14 Under the process established under subsection (a), the
 15 Secretary shall notify, or require sponsors of prescription
 16 drug plans and organizations offering MA–PD plans to
 17 notify, applicable individuals of the option to change plans
 18 under such process. Such notice shall be provided to an
 19 applicable individual within 30 days of meeting the defini-
 20 tion of such an individual.

21 (d) PROCESS IN EFFECT FOR REMAINING PORTION
 22 OF 2006.—The process established under subsection (a)
 23 shall remain in effect through December 31, 2006.

24 (e) DEFINITIONS.—In this section:

1 (1) APPLICABLE INDIVIDUAL.—The term “ap-
 2 plicable individual” means a part D eligible indi-
 3 vidual (as defined in section 1860D–1(a)(3)(A) of
 4 the Social Security Act (42 U.S.C. 1395w–
 5 101(a)(3)(A)) who, with respect to a year—

6 (A) is enrolled in a prescription drug plan
 7 or an MA–PD plan that does not provide any
 8 coverage of covered part D drugs (as so de-
 9 fined) after the individual has reached the ini-
 10 tial coverage limit under the plan but has not
 11 reached such annual out-of-pocket threshold;
 12 and

13 (B) has reached such initial coverage limit
 14 or is within \$750 of reaching such limit.

15 (2) PRESCRIPTION DRUG PLAN; MA–PD PLAN.—
 16 The terms “prescription drug plan” and “MA–PD
 17 plan” have the meanings given those terms in sec-
 18 tion 1860D–41(a)(14) of the Social Security Act (42
 19 U.S.C. 1395w–151(a)(14)) and section 1860D–
 20 1(a)(3)(C) of such Act (42 U.S.C. 1395w–
 21 101(a)(3)(C)), respectively.

22 **SEC. 3. GAO STUDY AND REPORT ON THE ELIMINATION OF**
 23 **THE MEDICARE PART D COVERAGE GAP.**

24 (a) STUDY.—The Comptroller General of the United
 25 States shall conduct a study on—

1 (1) the costs to the Medicare program of elimi-
2 nating the initial coverage limit under paragraph (3)
3 of section 1860D–2(b) of the Social Security Act (42
4 U.S.C. 1395w–102(b)) (and providing that standard
5 prescription drug coverage included the coverage de-
6 scribed in paragraph (2) of such section until the in-
7 dividual reached the annual out-of-pocket threshold
8 under subsection (b)(4)(B) of such section); and

9 (2) the adjustment to the coinsurance under
10 paragraph (2) of such section that would be nec-
11 essary to eliminate the initial coverage limit (and
12 provide that standard prescription drug coverage in-
13 cluded such adjusted coinsurance amount until the
14 individual reached such annual out-of-pocket thresh-
15 old) without increasing the costs to the Medicare
16 program.

17 (b) REPORT.—Not later than May 1, 2007, the
18 Comptroller General of the United States shall submit a
19 report to Congress on the study conducted under sub-
20 section (a) together with such recommendations as the
21 Comptroller General determines to be appropriate.

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