[DISCUSSION DRAFT]

116TH CONGRESS
1ST SESSION

H. R. ______

To amend title XVIII of the Social Security Act to reduce the Medicare part D reinsurance subsidies, eliminate beneficiary out-of-pocket costs above the Medicare part D catastrophic threshold, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. ______ introduced the following bill; which was referred to the Committee on ______.

A BILL

To amend title XVIII of the Social Security Act to reduce the Medicare part D reinsurance subsidies, eliminate beneficiary out-of-pocket costs above the Medicare part D catastrophic threshold, 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.

4 This Act may be cited as the “[_____] Act of 2019”.

SEC. 2. REDUCING MEDICARE PART D REINSURANCE SUBSIDIES AND ELIMINATING BENEFICIARY OUT-OF-POCKET COSTS ABOVE MEDICARE PART D CATASTROPHIC THRESHOLD.

(a) Reducing Reinsurance Payment Amount.—Section 1860D–15(b) of the Social Security Act (42 U.S.C. 1395w–115(b)) is amended—

(1) in paragraph (1), by inserting “(or, for a coverage year beginning after 2019, the percent specified under paragraph (5) for such coverage year)” after “80 percent”; and

(2) by adding at the end the following new paragraph:

“(5) Specified Percent.—For purposes of paragraph (1), the percent specified under this paragraph is—

“(A) for coverage year 2020, 70 percent;

“(B) for coverage year 2021, 60 percent;

“(C) for coverage year 2022, 40 percent;

and

“(D) for coverage year 2023 and each subsequent coverage year, 20 percent.”.

(b) Eliminating Medicare Part D Cost-sharing Above Annual Out-of-pocket Threshold.—
Section 1860D–2(b)(4)(A) of the Social Security Act (42 U.S.C. 1395w–102(b)(4)(A)) is amended—

(A) in clause (i)—

(i) by redesignating subclauses (I) and (II) as items (aa) and (bb), respectively, and by moving such items, as so redesignated, two ems to the right;

(ii) in item (bb), as so redesignated, by striking the period at the end and inserting ‘‘; and’’;

(iii) by striking ‘‘with cost-sharing that is equal to the greater of—’’ and inserting ‘‘with cost-sharing that is equal to—’’

‘‘(I) for 2006 and each subsequent year (before [____]), the greater of—’’; and

(iv) by adding at the end the following new subclause:

‘‘(II) for [____] and each subsequent year, $0.’’; and

(B) in clause (ii), by striking ‘‘clause (i)(I)’’ and inserting ‘‘clause (i)(I)(aa)’’.
(2) CONFORMING AMENDMENTS TO COST-SHARING SUBSIDIES FOR LOW-INCOME INDIVIDUALS.—

Section 1860D–14(a) of the Social Security Act (42 U.S.C. 1395w–114(a)) is amended—

(A) in paragraph (1)(D)(iii)—


(ii) by inserting before the period the following: “(or, for a year after [____], the copayment amount that would be specified under section 1860D–2(b)(4)(A)(i)(I)(aa) for the drug and year involved if such section applied for such year)”;

(B) in paragraph (2)(E)—

(i) by inserting “for a year before [____],” after “Subject to subsection (c),”;