

**Senator John D. Rockefeller IV**  
**Congressional Record Statement**  
Introduction of the Medicare Drug Savings Act of 2013

**April 16, 2013**

MR. ROCKEFELLER: Mr. President, I rise today to introduce the Medicare Drug Savings Act of 2013. I am proud to be joined by my long-time partner in this effort, Senator Bill Nelson, as well as my colleagues Senator Tammy Baldwin of Wisconsin, Senator Richard Blumenthal of Connecticut, Senator Barbara Boxer of California, Senator Sherrod Brown of Ohio, Senator Richard Durbin of Illinois, Senator Al Franken of Minnesota, Senator Angus King of Maine, Senator Amy Klobuchar of Minnesota, Senator Patrick Leahy of Vermont, Senator Jeff Merkley of Oregon, Senator Jack Reed of Rhode Island, Senator Bernie Sanders of Vermont, Senator Brian Schatz of Hawaii, Senator Jeanne Shaheen of New Hampshire, Senator Debbie Stabenow of Michigan, Senator Tom Udall of New Mexico and Senator Sheldon Whitehouse of Rhode Island, in introducing this important piece of legislation.

We need to responsibly reduce our deficit, but taking away health care for seniors and other vulnerable people should be off the table. Rather than dismantling Medicare and Medicaid, we can save billions of dollars by holding drug companies accountable and using the purchasing power of the federal government to negotiate lower drug prices, just the way any private insurance plan would use its purchasing power to lower prices.

That is why we are introducing the Medicare Drug Savings Act. The bill will eliminate a special deal from the 2003 Medicare prescription drug law that allows drug companies to charge Medicare higher prices for some seniors' prescription drugs. It would require prescription drug manufacturers to pay rebates to Medicare for dually eligible beneficiaries in Medicare and Medicaid as well as other low-income Medicare beneficiaries. This proposal would reduce the deficit, saving taxpayers an estimated \$141.2 billion over the next ten years, according to the Congressional Budget Office. Similar proposals were also included in the recommendations from the President's Commission on Fiscal Responsibility and Reform, the President's framework for deficit reduction and the President's Budget for Fiscal Year 2014.

Prior to the creation of the Medicare prescription drug program, brand-name drug manufacturers paid a drug rebate for dually eligible beneficiaries in Medicare and Medicaid. However, when the new Medicare drug program was established, drug companies no longer had to provide these rebates, resulting in windfall profits for prescription drug manufacturers, at taxpayers' expense.

The Medicare Drug Savings Act would require prescription drug manufacturers to pay the difference between the lowest current rebates they are paying to private Part D drug plans, and the percentage of Average Manufacturer Price (AMP) they currently pay under Medicaid, plus an additional rebate if their prices grow faster than inflation. They would be required to participate in the rebate program in order for their drugs to be covered by Medicare Part D.

I urge my colleagues to support this bill. In doing so, we will protect Medicare for seniors, and end a giveaway to drug companies that is costing taxpayers billions of dollars.