

109TH CONGRESS
2^D SESSION

H. R. 5979

To prevent abusive practices by pharmaceutical benefit managers (PBMs).

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2006

Mr. BOOZMAN introduced the following bill; which was referred to the
Committee on Energy and Commerce

A BILL

To prevent abusive practices by pharmaceutical benefit
managers (PBMs).

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 “Pharmaceutical Ben-
5 efit Manager Abuse Prevention Act of 2006”.

6 **SEC. 2. PREVENTING ABUSIVE PRACTICES BY PHARMA-**
7 **CEUTICAL BENEFIT MANAGERS.**

8 (a) IN GENERAL.—A pharmaceutical benefit man-
9 ager shall not engage in any of the following practices:

10 (1) PROHIBITING SELF-REFERRALS.—The man-
11 ager shall not refer a patient to a pharmacy or other

1 dispenser of pharmaceuticals that is owned or affili-
2 ated with the manager.

3 (2) INFORMED CONSENT IN SWITCHING AU-
4 THORIZATION.—The manager shall not change the
5 authorization for a patient of a drug to another drug
6 without the patient’s express consent and without in-
7 forming the patient of the financial consequences of
8 effecting (or not effecting) such change.

9 (b) REQUIRING TRANSPARENCY.—Each pharma-
10 ceutical benefit manager shall publicly disclose, in a man-
11 ner specified by the Secretary of Health and Human Serv-
12 ices, any kickbacks or other financial incentives or rela-
13 tionship that exist between the manager and any pharma-
14 ceutical manufacturer (or agent or such a manufacturer).

15 (c) ENFORCEMENT.—The Secretary of Health and
16 Human Services may issue such civil penalties for a viola-
17 tion of subsection (a), or a failure to meet the requirement
18 of subsection (b), as the Secretary of Health and Human
19 Services determines necessary.

20 (d) EFFECTIVE DATE.—This section shall take effect
21 on the first day of the first month beginning after the date
22 of the enactment of this Act.

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