To amend title XVIII of the Social Security Act to prohibit prescription drug plan sponsors and MA–PD organizations under the Medicare program from retroactively reducing payment on clean claims submitted by pharmacies.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 8, 2016

Mr. Griffith (for himself, Mr. Welch, Mr. Sessions, Mr. Carter of Georgia, Mr. Jones, Mr. Barletta, Mr. Crawford, Mr. Blum, and Mrs. McMorris Rodgers) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to prohibit prescription drug plan sponsors and MA–PD organizations under the Medicare program from retroactively reducing payment on clean claims submitted by pharmacies.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Improving Transparency and Accuracy in Medicare Part D Spending Act”.

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114TH CONGRESS 2D SESSION H. R. 5951
SECT. 2. PROHIBITING MEDICARE PDP SPONSORS AND MA–
PD ORGANIZATIONS FROM RETROACTIVELY
REDUCING PAYMENT ON CLEAN CLAIMS SUB-
MITTED BY PHARMACIES.

(a) In General.—Section 1860D–12(b)(4)(A) of
the Social Security Act (42 U.S.C. 1395w–112(b)(4)(A))
is amended by adding at the end the following new clause:

“(iv) Prohibiting retroactive re-
ductions in payments on clean
claims.—Each contract entered into with
a PDP sponsor under this part with re-
spect to a prescription drug plan offered
by such sponsor shall provide that after
the date of receipt of a clean claim sub-
mitted by a pharmacy, the PDP sponsor
(or an agent of the PDP sponsor) may not
retroactively reduce payment on such claim
directly or indirectly through aggregated
effective rate or otherwise except in the
case such claim is found to not be a clean
claim (such as in the case of a claim lack-
ing required substantiating documentation)
during the course of a routine audit as
permitted pursuant to written agreement
between the PDP sponsor (or such an
agent) and such pharmacy. The previous
sentence shall not prohibit any retroactive increase in payment to a pharmacy pursuant to a written agreement between a PDP sponsor (or an agent of such sponsor) and such pharmacy.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to contracts entered into on or after January 1, 2017.