S. 413

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 SENATE OF THE UNITED STATES

February 16, 2017

Mrs. Capito (for herself, Mr. Tester, Mr. Lankford, Mr. Grassley, Ms. Heitkamp, Mr. Wicker, Mr. Boozman, and Mr. Cotton) introduced the following bill; which was read twice and referred to the Committee on Finance

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.

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 “Improving Trans-
5 parency and Accuracy in Medicare Part D Spending Act”.
SEC. 2. PROHIBITING MEDICARE PDP SPONSORS AND MA-PD ORGANIZATIONS FROM RETROACTIVELY REDUCING PAYMENT ON CLEAN CLAIMS SUBMITTED 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 reductions in payments on clean claims.—Each contract entered into with a PDP sponsor under this part with respect to a prescription drug plan offered by such sponsor shall provide that after the date of receipt of a clean claim submitted 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 lacking 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 pursu-
ant 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, 2018.