

116TH CONGRESS
1ST SESSION

H. R. 3805

To reform prescription drug pricing and reduce out-of-pocket costs by
ensuring consumers benefit from negotiated rebates.

IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2019

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

A BILL

To reform prescription drug pricing and reduce out-of-pocket
costs by ensuring consumers benefit from negotiated rebates.

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 “Prescription Drug Re-
5 bate Reform Act of 2019”.

6 **SEC. 2. COST-SHARING WITH RESPECT TO PRESCRIPTION**
7 **DRUGS.**

8 (a) IN GENERAL.—Subpart II of part A of title
9 XXVII of the Public Health Service Act (42 U.S.C.

1 300gg–11 et seq.) is amended by adding at the end the
 2 following:

3 **“SEC. 2729A. COST-SHARING WITH RESPECT TO PRESCRIP-**
 4 **TION DRUGS.**

5 “(a) IN GENERAL.—A group health plan or health
 6 insurance issuer offering group or individual health insur-
 7 ance coverage shall set any coinsurance obligation an en-
 8 rollee has with respect to a prescription drug covered by
 9 the plan or coverage based on the net price of the drug,
 10 such that no payment by the enrollee with respect to the
 11 drug is based on a percentage of the list price of a drug.

12 “(b) APPLICABILITY.—Subsection (a)—

13 “(1) shall apply with respect to a prescription
 14 drug benefit when the enrollee is required to pay a
 15 deductible with respect to such benefits and—

16 “(A) has not yet satisfied the deductible
 17 under the plan or coverage; or

18 “(B) has another coinsurance obligation
 19 with respect to such benefits under the plan or
 20 coverage; and

21 “(2) shall not apply if, with respect to the dis-
 22 pensed quantity of a prescription drug, the net price
 23 and list price are the same, or are different by not
 24 more than 1 cent.

1 “(c) COPAYMENTS.—Nothing in this section prevents
2 a group health plan or health insurance issuer from re-
3 quiring a copayment for any prescription drug if such co-
4 payment is not tied to a percent of the specified cost of
5 the drug.

6 “(d) DEFINITIONS.—In this section—

7 “(1) the term ‘coinsurance’ means, with respect
8 to prescription drug coverage under a group health
9 plan or group or individual health insurance cov-
10 erage, a payment obligation of an enrollee in such
11 health plan or health insurance coverage that is
12 based on a portion or percentage of the specified
13 cost of a prescription drug, which may be up to 100
14 percent of that cost;

15 “(2) the term ‘deductible’ means the payment
16 obligation of an enrollee in a group health plan or
17 group or individual health insurance coverage before
18 the group health plan or group or individual health
19 insurance coverage will pay any portion of the cost
20 of prescription drug coverage;

21 “(3) the term ‘list price’ has the meaning given
22 the term ‘wholesale acquisition cost’ in section
23 1847A(c)(6)(B) of the Social Security Act;

24 “(4) the term ‘net price’ means, with respect to
25 prescription drug coverage under a group health

1 plan or group or individual health insurance cov-
2 erage, the list price of the drug net all rebates, dis-
3 counts, concessions, and other adjustments applied
4 to the cost paid by the group health plan or health
5 insurance issuer, or by any other entity that pro-
6 vides pharmacy benefit management services under
7 a contract with any such group health plan or health
8 insurance issuer, regardless of whether such adjust-
9 ments are prospective or retrospective; and

10 “(5) the term ‘prescription drug’ mean a drug,
11 as defined in section 201(g) of the Federal Food,
12 Drug, and Cosmetic Act, that is subject to section
13 503(b)(1) of such Act.”.

14 (b) EFFECTIVE DATE.—Section 2729A of the Public
15 Health Service Act, as added by subsection (a), shall apply
16 with respect to plan years beginning on or after January
17 1, 2021.

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