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

IN THE SENATE OF THE UNITED STATES
MAY 9, 2019
Mr. ROMNEY (for himself and Mr. BRAUN) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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

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

SECTION 1. SHORT TITLE.
This Act may be cited as the “Prescription Drug Re-
bate Reform Act of 2019”.

SEC. 2. COST-SHARING WITH RESPECT TO PRESCRIPTION DRUGS.
(a) IN GENERAL.—Subpart II of part A of title XXVII of the Public Health Service Act (42 U.S.C.
300gg–11 et seq.) is amended by adding at the end the following:

“SEC. 2729A. COST-SHARING WITH RESPECT TO PRESCRIPTION DRUGS.

“(a) IN GENERAL.—A group health plan or health insurance issuer offering group or individual health insurance coverage shall set any coinsurance obligation an enrollee has with respect to a prescription drug covered by the plan or coverage based on the net price of the drug, such that no payment by the enrollee with respect to the drug is based on a percentage of the list price of a drug.

“(b) APPLICABILITY.—Subsection (a)—

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

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

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

“(2) shall not apply if, with respect to the dispensed quantity of a prescription drug, the net price and list price are the same, or are different by not more than 1 cent.
“(c) COPAYMENTS.—Nothing in this section prevents
a group health plan or health insurance issuer from re-
quiring a copayment for any prescription drug if such co-
payment is not tied to a percent of the specified cost of
the drug.

“(d) DEFINITIONS.—In this section—

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

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

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

“(4) the term ‘net price’ means, with respect to
prescription drug coverage under a group health
plan or group or individual health insurance coverage, the list price of the drug net all rebates, discounts, concessions, and other adjustments applied to the cost paid by the group health plan or health insurance issuer, or by any other entity that provides pharmacy benefit management services under a contract with any such group health plan or health insurance issuer, regardless of whether such adjustments are prospective or retrospective; and

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

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