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119TH CONGRESS
1ST SESSION

H. R. 1244

To amend title XVIII of the Social Security Act to require that coinsurance for drugs under Medicare part D be based on the drug's actual acquisition cost and not the drug's wholesale acquisition cost.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 2025

Mr. DAVIS of North Carolina (for himself and Mr. PFLUGER) 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

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A BILL

To amend title XVIII of the Social Security Act to require that coinsurance for drugs under Medicare part D be based on the drug's actual acquisition cost and not the drug's wholesale acquisition cost.

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 ''Reducing Drug Prices for Seniors Act''.

SEC. 2. REQUIRING THAT COINSURANCE FOR DRUGS UNDER MEDICARE PART D BE BASED ON THE DRUG'S ACTUAL ACQUISITION COST AND NOT THE DRUG'S WHOLESALE ACQUISITION COST.

Section 1860D–2 of the Social Security Act (42 U.S.C. 1395w–102) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(A), in the matter preceding clause (i), by striking ''and (9)'' and inserting '', (9), and (10)''; and

(B) by adding at the end the following new paragraph:

''(10) REQUIREMENT THAT COINSURANCE FOR COVERED PART D DRUGS BE BASED ON THE ACTUAL ACQUISITION COST OF THE DRUG.—

''(A) IN GENERAL.—For plan years beginning on or after January 1, 2026, for costs above the annual deductible specified in paragraph (1) and below the annual out-of-pocket threshold specified in paragraph (4), any coinsurance amount for a covered part D drug (insofar as such covered part D drug is included on the formulary and subject to coinsurance rather than a copayment) shall be calculated based on the actual acquisition cost (and not the wholesale acquisition cost) of such covered part D drug if such actual acquisition cost is lower than the wholesale acquisition cost of such covered part D drug. The preceding sentence shall not apply to a covered part D drug described in paragraph (8) or (9).

"(B) ACTUAL ACQUISITION COST DEFINED.—In this paragraph, the term 'actual acquisition cost' means, with respect to a covered part D drug, the negotiated price of the covered part D drug under the prescription drug plan or MA–PD plan, net of any manufacturer-provided price concessions (as defined under section 423.100 of title 42, Code of Federal Regulations (or any successor regulation)), as reported for such drug in the Detailed DIR Report (or any successor report) submitted by the sponsor or organization offering the plan for the previous plan year."; and

(2) in subsection (c), by adding at the end the following new paragraph:

"(7) REQUIREMENT THAT COINSURANCE FOR COVERED PART D DRUGS BE BASED ON THE NET PRICE OF THE DRUG.—The coverage is provided in accordance with subsection (b)(10).".

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