

119TH CONGRESS
1ST SESSION

S. 3345

To amend titles XVIII and XIX of the Social Security Act to ensure accurate payments to pharmacies under Medicaid and prevent the use of abusive spread pricing in Medicaid, and to assure pharmacy access and choice for Medicare beneficiaries and modernize and ensure PBM accountability under Medicare.

IN THE SENATE OF THE UNITED STATES

DECEMBER 4, 2025

Mr. CRAPO (for himself, Mr. WYDEN, Mr. GRASSLEY, Mr. BENNET, Mr. CORNYN, Mr. WARNER, Mr. THUNE, Mr. WHITEHOUSE, Mr. CASSIDY, Ms. HASSAN, Mr. LANKFORD, Ms. CORTEZ MASTO, Mr. DAINES, Ms. SMITH, Mr. BARRASSO, Mr. LUJÁN, Mr. TILLIS, Mr. WARNOCK, Mrs. BLACKBURN, Mr. WELCH, and Mr. MARSHALL) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend titles XVIII and XIX of the Social Security Act to ensure accurate payments to pharmacies under Medicaid and prevent the use of abusive spread pricing in Medicaid, and to assure pharmacy access and choice for Medicare beneficiaries and modernize and ensure PBM accountability under Medicare.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “PBM Price Trans-
3 parency and Accountability Act”.

4 **SEC. 2. ENSURING ACCURATE PAYMENTS TO PHARMACIES**
5 **UNDER MEDICAID AND PREVENTING THE**
6 **USE OF ABUSIVE SPREAD PRICING IN MED-**
7 **ICAID.**

8 (a) ENSURING ACCURATE PAYMENTS TO PHAR-
9 MACIES UNDER MEDICAID.—

10 (1) IN GENERAL.—Section 1927(f) of the Social
11 Security Act (42 U.S.C. 1396r–8(f)) is amended—

12 (A) in paragraph (1)(A)—

13 (i) by redesignating clause (ii) as
14 clause (iii); and

15 (ii) by striking “and” after the semi-
16 colon at the end of clause (i) and all that
17 precedes it through “(1)” and inserting the
18 following:

19 “(1) DETERMINING PHARMACY ACTUAL ACQUI-
20 SITION COSTS.—The Secretary shall conduct a sur-
21 vey of retail community pharmacy drug prices and
22 applicable non-retail pharmacy drug prices to deter-
23 mine national average drug acquisition cost bench-
24 marks (as such term is defined by the Secretary) as
25 follows:

1 “(A) USE OF VENDOR.—The Secretary
2 may contract services for—

3 “(i) with respect to retail community
4 pharmacies, the determination of retail
5 survey prices of the national average drug
6 acquisition cost for covered outpatient
7 drugs that represent a nationwide average
8 of consumer purchase prices for such
9 drugs, net of all discounts, rebates, and
10 other price concessions (to the extent any
11 information with respect to such discounts,
12 rebates, and other price concessions is
13 available) based on a monthly survey of
14 such pharmacies;

15 “(ii) with respect to applicable non-re-
16 tail pharmacies—

17 “(I) the determination of survey
18 prices, separate from the survey prices
19 described in clause (i), of the non-re-
20 tail national average drug acquisition
21 cost for covered outpatient drugs that
22 represent a nationwide average of con-
23 sumer purchase prices for such drugs,
24 net of all discounts, rebates, and other
25 price concessions (to the extent any

1 information with respect to such dis-
2 counts, rebates, and other price con-
3 cessions is available) based on a
4 monthly survey of such pharmacies;
5 and

6 “(II) at the discretion of the Sec-
7 retary, for each type of applicable
8 non-retail pharmacy, the determina-
9 tion of survey prices, separate from
10 the survey prices described in clause
11 (i) or subclause (I) of this clause, of
12 the national average drug acquisition
13 cost for such type of pharmacy for
14 covered outpatient drugs that rep-
15 resent a nationwide average of con-
16 sumer purchase prices for such drugs,
17 net of all discounts, rebates, and other
18 price concessions (to the extent any
19 information with respect to such dis-
20 counts, rebates, and other price con-
21 cessions is available) based on a
22 monthly survey of such pharmacies;
23 and”;

1 (B) in subparagraph (B) of paragraph (1),
2 by striking “subparagraph (A)(ii)” and insert-
3 ing “subparagraph (A)(iii)”;

4 (C) in subparagraph (D) of paragraph (1),
5 by striking clauses (ii) and (iii) and inserting
6 the following:

7 “(ii) The vendor must update the Sec-
8 retary no less often than monthly on the
9 survey prices for covered outpatient drugs.

10 “(iii) The vendor must differentiate,
11 in collecting and reporting survey data, for
12 all cost information collected, whether a
13 pharmacy is a retail community pharmacy
14 or an applicable non-retail pharmacy, in-
15 cluding whether such pharmacy is an affil-
16 iate (as defined in subsection (k)(13)),
17 and, in the case of an applicable non-retail
18 pharmacy, which type of applicable non-re-
19 tail pharmacy it is using the relevant phar-
20 macy type indicators included in the guid-
21 ance required by subsection (a)(4)(A) of
22 section 2 of the PBM Price Transparency
23 and Accountability Act.”;

24 (D) by adding at the end of paragraph (1)
25 the following:

1 “(F) SURVEY REPORTING.—In order to
2 meet the requirement of section 1902(a)(54), a
3 State shall require that any retail community
4 pharmacy or applicable non-retail pharmacy in
5 the State that receives any payment, reimburse-
6 ment, administrative fee, discount, rebate, or
7 other price concession related to the dispensing
8 of covered outpatient drugs to individuals re-
9 ceiving benefits under this title, regardless of
10 whether such payment, reimbursement, admin-
11 istrative fee, discount, rebate, or other price
12 concession is received from the State or a man-
13 aged care entity or other specified entity (as
14 such terms are defined in section
15 1903(m)(9)(D)) directly or from a pharmacy
16 benefit manager or another entity that has a
17 contract with the State or a managed care enti-
18 ty or other specified entity (as so defined), shall
19 respond to surveys conducted under this para-
20 graph.

21 “(G) SURVEY INFORMATION.—Information
22 on national drug acquisition prices obtained
23 under this paragraph shall be made publicly
24 available in a form and manner to be deter-

1 mined by the Secretary and shall include at
2 least the following:

3 “(i) The monthly response rate to the
4 survey including a list of pharmacies not in
5 compliance with subparagraph (F).

6 “(ii) The sampling methodology and
7 number of pharmacies sampled monthly.

8 “(iii) Information on price concessions
9 to pharmacies, including discounts, re-
10 bates, and other price concessions, to the
11 extent that such information may be pub-
12 licly released and has been collected by the
13 Secretary as part of the survey.

14 “(H) PENALTIES.—

15 “(i) IN GENERAL.—Subject to clauses
16 (ii), (iii), and (iv), the Secretary shall en-
17 force the provisions of this paragraph with
18 respect to a pharmacy through the estab-
19 lishment of civil money penalties applicable
20 to a retail community pharmacy or an ap-
21 plicable non-retail pharmacy.

22 “(ii) BASIS FOR PENALTIES.—The
23 Secretary shall impose a civil money pen-
24 alty established under this subparagraph

on a retail community pharmacy or applicable non-retail pharmacy if—

“(I) the retail pharmacy or applicable non-retail pharmacy refuses or otherwise fails to respond to a request for information about prices in connection with a survey under this subsection;

“(II) knowingly provides false information in response to such a survey; or

“(III) otherwise fails to comply with the requirements established under this paragraph.

“(iii) PARAMETERS FOR PENALTIES.—

“(I) IN GENERAL.—A civil money penalty established under this subparagraph may be assessed with respect to each violation, and with respect to each non-compliant retail community pharmacy (including a pharmacy that is part of a chain) or non-compliant applicable non-retail pharmacy (including a pharmacy that

1 is part of a chain), in an amount not
 2 to exceed \$100,000 for each such vio-
 3 lation.

4 “(II) CONSIDERATIONS.—In de-
 5 termining the amount of a civil money
 6 penalty imposed under this subpara-
 7 graph, the Secretary may consider the
 8 size, business structure, and type of
 9 pharmacy involved, as well as the type
 10 of violation and other relevant factors,
 11 as determined appropriate by the Sec-
 12 retary.

13 “(iv) RULE OF APPLICATION.—The
 14 provisions of section 1128A (other than
 15 subsections (a) and (b)) shall apply to a
 16 civil money penalty under this subpara-
 17 graph in the same manner as such provi-
 18 sions apply to a civil money penalty or pro-
 19 ceeding under section 1128A(a).

20 “(I) LIMITATION ON USE OF APPLICABLE
 21 NON-RETAIL PHARMACY PRICING INFORMA-
 22 TION.—No State shall use pricing information
 23 reported by applicable non-retail pharmacies
 24 under subparagraph (A)(ii) to develop or inform

1 payment methodologies for retail community
2 pharmacies.”;

3 (E) in paragraph (2)—

4 (i) in subparagraph (A), by inserting
5 “, including payment rates and methodolo-
6 gies for determining ingredient cost reim-
7 bursement under managed care entities or
8 other specified entities (as such terms are
9 defined in section 1903(m)(9)(D)),” after
10 “under this title”; and

11 (ii) in subparagraph (B), by inserting
12 “and the basis for such dispensing fees”
13 before the semicolon;

14 (F) by redesignating paragraph (4) as
15 paragraph (5);

16 (G) by inserting after paragraph (3) the
17 following new paragraph:

18 “(4) OVERSIGHT.—

19 “(A) IN GENERAL.—The Inspector General
20 of the Department of Health and Human Serv-
21 ices shall conduct periodic studies of the survey
22 data reported under this subsection, as appro-
23 priate, including with respect to substantial
24 variations in acquisition costs or other applica-
25 ble costs, as well as with respect to how internal

1 transfer prices and related party transactions
2 may influence the costs reported by pharmacies
3 that are affiliates (as defined in subsection
4 (k)(13)) or are owned by, controlled by, or re-
5 lated under a common ownership structure with
6 a wholesaler, distributor, or other entity that
7 acquires covered outpatient drugs relative to
8 costs reported by pharmacies not affiliated with
9 such entities. The Inspector General shall pro-
10 vide periodic updates to Congress on the results
11 of such studies, as appropriate, in a manner
12 that does not disclose trade secrets or other
13 proprietary information.

14 “(B) APPROPRIATION.—There is appro-
15 priated to the Inspector General of the Depart-
16 ment of Health and Human Services, out of
17 any money in the Treasury not otherwise ap-
18 propriated, \$5,000,000 for fiscal year 2026, to
19 remain available until expended, to carry out
20 this paragraph.”; and

21 (H) in paragraph (5), as so redesignated—

22 (i) by inserting “, and \$9,000,000 for
23 fiscal year 2026 and each fiscal year there-
24 after,” after “2010”; and

1 (ii) by inserting “Funds appropriated
2 under this paragraph for fiscal year 2026
3 and any subsequent fiscal year shall re-
4 main available until expended.” after the
5 period.

6 (2) DEFINITIONS.—Section 1927(k) of the So-
7 cial Security Act (42 U.S.C. 1396r–8(k)) is amend-
8 ed—

9 (A) in the matter preceding paragraph (1),
10 by striking “In the section” and inserting “In
11 this section”; and

12 (B) by adding at the end the following new
13 paragraphs:

14 “(12) APPLICABLE NON-RETAIL PHARMACY.—
15 The term ‘applicable non-retail pharmacy’ means a
16 pharmacy that is licensed as a pharmacy by the
17 State and that is not a retail community pharmacy,
18 including a pharmacy that dispenses prescription
19 medications to patients primarily through mail and
20 specialty pharmacies. Such term does not include
21 nursing home pharmacies, long-term care facility
22 pharmacies, hospital pharmacies, clinics, charitable
23 or not-for-profit pharmacies, government phar-
24 macies, or low dispensing pharmacies (as defined by
25 the Secretary).

1 “(13) AFFILIATE.—The term ‘affiliate’ means
2 any entity that is owned by, controlled by, or related
3 under a common ownership structure with a phar-
4 macy benefit manager or a managed care entity or
5 other specified entity (as such terms are defined in
6 section 1903(m)(9)(D)).”.

7 (3) EFFECTIVE DATE.—

8 (A) IN GENERAL.—Subject to subpara-
9 graph (B), the amendments made by this sub-
10 section shall take effect on the first day of the
11 first quarter that begins on or after the date
12 that is 6 months after the date of enactment of
13 this Act.

14 (B) DELAYED APPLICATION TO APPLICA-
15 BLE NON-RETAIL PHARMACIES.—The pharmacy
16 survey requirements established by the amend-
17 ments to section 1927(f) of the Social Security
18 Act (42 U.S.C. 1396r–8(f)) made by this sub-
19 section shall apply to retail community phar-
20 macies beginning on the effective date described
21 in subparagraph (A), but shall not apply to ap-
22 plicable non-retail pharmacies until the first
23 day of the first quarter that begins on or after
24 the date that is 18 months after the date of en-
25 actment of this Act.

1 (4) IDENTIFICATION OF APPLICABLE NON-RE-
2 TAIL PHARMACIES.—

3 (A) IN GENERAL.—Not later than January
4 1, 2027, the Secretary of Health and Human
5 Services shall, in consultation with stakeholders
6 as appropriate, publish guidance specifying
7 pharmacies that meet the definition of applica-
8 ble non-retail pharmacies (as such term is de-
9 fined in subsection (k)(12) of section 1927 of
10 the Social Security Act (42 U.S.C. 1396r–8), as
11 added by paragraph (2)), and that will be sub-
12 ject to the survey requirements under sub-
13 section (f)(1) of such section, as amended by
14 paragraph (1).

15 (B) INCLUSION OF PHARMACY TYPE INDICATORS.—The guidance published under sub-
16 paragraph (A) shall include pharmacy type indi-
17 cators to distinguish between different types of
18 applicable non-retail pharmacies, such as phar-
19 macies that dispense prescriptions primarily
20 through the mail and pharmacies that dispense
21 prescriptions that require special handling or
22 distribution. An applicable non-retail pharmacy
23 may be identified through multiple pharmacy
24 type indicators.
25

1 (5) IMPLEMENTATION.—

2 (A) IN GENERAL.—Notwithstanding any
3 other provision of law, the Secretary of Health
4 and Human Services may implement the
5 amendments made by this subsection by pro-
6 gram instruction or otherwise.

7 (B) NONAPPLICATION OF ADMINISTRATIVE
8 PROCEDURE ACT.—Implementation of the
9 amendments made by this subsection shall be
10 exempt from the requirements of section 553 of
11 title 5, United States Code.

12 (6) NONAPPLICATION OF PAPERWORK REDUC-
13 TION ACT.—Chapter 35 of title 44, United States
14 Code, shall not apply to any data collection under-
15 taken by the Secretary of Health and Human Serv-
16 ices under section 1927(f) of the Social Security Act
17 (42 U.S.C. 1396r–8(f)), as amended by this sub-
18 section.

19 (b) PREVENTING THE USE OF ABUSIVE SPREAD
20 PRICING IN MEDICAID.—

21 (1) IN GENERAL.—Section 1927 of the Social
22 Security Act (42 U.S.C. 1396r–8) is amended—

23 (A) in subsection (e), by adding at the end
24 the following new paragraph:

1 “(6) TRANSPARENT PRESCRIPTION DRUG PASS-
2 THROUGH PRICING REQUIRED.—

3 “(A) IN GENERAL.—A contract between
4 the State and a pharmacy benefit manager (re-
5 ferred to in this paragraph as a ‘PBM’), or a
6 contract between the State and a managed care
7 entity or other specified entity (as such terms
8 are defined in section 1903(m)(9)(D) and col-
9 lectively referred to in this paragraph as the
10 ‘entity’) that includes provisions making the en-
11 tity responsible for coverage of covered out-
12 patient drugs dispensed to individuals enrolled
13 with the entity, shall require that payment for
14 such drugs and related administrative services
15 (as applicable), including payments made by a
16 PBM on behalf of the State or entity, is based
17 on a transparent prescription drug pass-
18 through pricing model under which—

19 “(i) any payment made by the entity
20 or the PBM (as applicable) for such a
21 drug—

22 “(I) is limited to—

23 “(aa) ingredient cost; and

24 “(bb) a professional dis-
25 pensing fee that is not less than

1 the professional dispensing fee
2 that the State would pay if the
3 State were making the payment
4 directly in accordance with the
5 State plan;

6 “(II) is passed through in its en-
7 tirety (except as reduced under Fed-
8 eral or State laws and regulations in
9 response to instances of waste, fraud,
10 or abuse) by the entity or PBM to the
11 pharmacy or provider that dispenses
12 the drug; and

13 “(III) is made in a manner that
14 is consistent with sections 447.502,
15 447.512, 447.514, and 447.518 of
16 title 42, Code of Federal Regulations
17 (or any successor regulation) as if
18 such requirements applied directly to
19 the entity or the PBM, except that
20 any payment by the entity or the
21 PBM for the ingredient cost of such
22 drug purchased by a covered entity
23 (as defined in subsection (a)(5)(B))
24 may exceed the actual acquisition cost
25 (as defined in 447.502 of title 42,

1 Code of Federal Regulations, or any
2 successor regulation) for such drug
3 if—

4 “(aa) such drug was subject
5 to an agreement under section
6 340B of the Public Health Serv-
7 ice Act;

8 “(bb) such payment for the
9 ingredient cost of such drug does
10 not exceed the maximum pay-
11 ment that would have been made
12 by the entity or the PBM for the
13 ingredient cost of such drug if
14 such drug had not been pur-
15 chased by such covered entity;
16 and

17 “(cc) such covered entity re-
18 ports to the Secretary (in a form
19 and manner specified by the Sec-
20 retary), on an annual basis and
21 with respect to payments for the
22 ingredient costs of such drugs so
23 purchased by such covered entity
24 that are in excess of the actual
25 acquisition costs for such drugs,

1 the aggregate amount of such ex-
2 cess;

3 “(ii) payment to the entity or the
4 PBM (as applicable) for administrative
5 services performed by the entity or PBM is
6 limited to an administrative fee that re-
7 flects the fair market value (as defined by
8 the Secretary) of such services;

9 “(iii) the entity or the PBM (as appli-
10 cable) makes available to the State, and
11 the Secretary upon request in a form and
12 manner specified by the Secretary, all costs
13 and payments related to covered outpatient
14 drugs and accompanying administrative
15 services (as described in clause (ii)) in-
16 curred, received, or made by the entity or
17 the PBM, broken down (as specified by the
18 Secretary), to the extent such costs and
19 payments are attributable to an individual
20 covered outpatient drug, by each such
21 drug, including any ingredient costs, pro-
22 fessional dispensing fees, administrative
23 fees (as described in clause (ii)), post-sale
24 and post-invoice fees, discounts, or related
25 adjustments such as direct and indirect re-

1 muneration fees, and any and all other re-
2 muneration, as defined by the Secretary;
3 and

4 “(iv) any form of spread pricing
5 whereby any amount charged or claimed by
6 the entity or the PBM (as applicable) that
7 exceeds the amount paid to the pharmacies
8 or providers on behalf of the State or enti-
9 ty, including any post-sale or post-invoice
10 fees, discounts, or related adjustments
11 such as direct and indirect remuneration
12 fees or assessments, as defined by the Sec-
13 retary (after allowing for an administrative
14 fee as described in clause (ii)) is not allow-
15 able for purposes of claiming Federal
16 matching payments under this title.

17 “(B) PUBLICATION OF INFORMATION.—

18 The Secretary shall publish, not less frequently
19 than on an annual basis and in a manner that
20 does not disclose the identity of a particular
21 covered entity or organization, information re-
22 ceived by the Secretary pursuant to subpara-
23 graph (A)(iii)(III) that is broken out by State
24 and by each of the following categories of cov-
25 ered entity within each such State:

1 “(i) Covered entities described in sub-
 2 paragraph (A) of section 340B(a)(4) of the
 3 Public Health Service Act.

4 “(ii) Covered entities described in sub-
 5 paragraphs (B) through (K) of such sec-
 6 tion.

7 “(iii) Covered entities described in
 8 subparagraph (L) of such section.

9 “(iv) Covered entities described in
 10 subparagraph (M) of such section.

11 “(v) Covered entities described in sub-
 12 paragraph (N) of such section.

13 “(vi) Covered entities described in
 14 subparagraph (O) of such section.”; and

15 (B) in subsection (k), as amended by sub-
 16 section (a)(2), by adding at the end the fol-
 17 lowing new paragraph:

18 “(14) PHARMACY BENEFIT MANAGER.—The
 19 term ‘pharmacy benefit manager’ means any person
 20 or entity that, either directly or through an inter-
 21 mediary, acts as a price negotiator or group pur-
 22 chaser on behalf of a State, managed care entity (as
 23 defined in section 1903(m)(9)(D)), or other specified
 24 entity (as so defined), or manages the prescription
 25 drug benefits provided by a State, managed care en-

1 tity, or other specified entity, including the proc-
 2 essing and payment of claims for prescription drugs,
 3 the performance of drug utilization review, the proc-
 4 essing of drug prior authorization requests, the man-
 5 aging of appeals or grievances related to the pre-
 6 scription drug benefits, contracting with pharmacies,
 7 controlling the cost of covered outpatient drugs, or
 8 the provision of services related thereto. Such term
 9 includes any person or entity that acts as a price ne-
 10 gotiator (with regard to payment amounts to phar-
 11 macies and providers for a covered outpatient drug
 12 or the net cost of the drug) or group purchaser on
 13 behalf of a State, managed care entity, or other
 14 specified entity or that carries out 1 or more of the
 15 other activities described in the preceding sentence,
 16 irrespective of whether such person or entity calls
 17 itself a pharmacy benefit manager.”.

18 (2) CONFORMING AMENDMENTS.—Section
 19 1903(m) of such Act (42 U.S.C. 1396b(m)) is
 20 amended—

21 (A) in paragraph (2)(A)(xiii)—

22 (i) by striking “and (III)” and insert-
 23 ing “(III)”;

24 (ii) by inserting before the period at
 25 the end the following: “, and (IV) if the

1 contract includes provisions making the en-
2 tity responsible for coverage of covered
3 outpatient drugs, the entity shall comply
4 with the requirements of section
5 1927(e)(6)”; and

6 (iii) by moving the margin 2 ems to
7 the left; and

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

10 “(10) No payment shall be made under this
11 title to a State with respect to expenditures incurred
12 by the State for payment for services provided by an
13 other specified entity (as defined in paragraph
14 (9)(D)(iii)) unless such services are provided in ac-
15 cordance with a contract between the State and such
16 entity which satisfies the requirements of paragraph
17 (2)(A)(xiii).”.

18 (3) EFFECTIVE DATE.—The amendments made
19 by this subsection shall apply to contracts between
20 States and managed care entities, other specified en-
21 tities, or pharmacy benefit managers that have an
22 effective date beginning on or after the date that is
23 18 months after the date of enactment of this Act.

24 (4) IMPLEMENTATION.—

1 (A) IN GENERAL.—Notwithstanding any
 2 other provision of law, the Secretary of Health
 3 and Human Services may implement the
 4 amendments made by this subsection by pro-
 5 gram instruction or otherwise.

6 (B) NONAPPLICATION OF ADMINISTRATIVE
 7 PROCEDURE ACT.—Implementation of the
 8 amendments made by this subsection shall be
 9 exempt from the requirements of section 553 of
 10 title 5, United States Code.

11 (5) NONAPPLICATION OF PAPERWORK REDUC-
 12 TION ACT.—Chapter 35 of title 44, United States
 13 Code, shall not apply to any data collection under-
 14 taken by the Secretary of Health and Human Serv-
 15 ices under section 1927(e) of the Social Security Act
 16 (42 U.S.C. 1396r–8(e)), as amended by this sub-
 17 section.

18 **SEC. 3. ASSURING PHARMACY ACCESS AND CHOICE FOR**
 19 **MEDICARE BENEFICIARIES AND MODERN-**
 20 **IZING AND ENSURING PBM ACCOUNTABILITY**
 21 **UNDER MEDICARE.**

22 (a) ASSURING PHARMACY ACCESS AND CHOICE FOR
 23 MEDICARE BENEFICIARIES.—

24 (1) IN GENERAL.—Section 1860D–4(b)(1) of
 25 the Social Security Act (42 U.S.C. 1395w–

1 104(b)(1)) is amended by striking subparagraph (A)
2 and inserting the following:

3 “(A) IN GENERAL.—

4 “(i) PARTICIPATION OF ANY WILLING
5 PHARMACY.—A PDP sponsor offering a
6 prescription drug plan shall permit any
7 pharmacy that meets the standard contract
8 terms and conditions under such plan to
9 participate as a network pharmacy of such
10 plan.

11 “(ii) CONTRACT TERMS AND CONDI-
12 TIONS.—

13 “(I) IN GENERAL.—Notwith-
14 standing any other provision of law,
15 for plan years beginning on or after
16 January 1, 2028, in accordance with
17 clause (i), contract terms and condi-
18 tions offered by such PDP sponsor
19 shall be reasonable and relevant ac-
20 cording to standards established by
21 the Secretary under subclause (II).

22 “(II) STANDARDS.—Not later
23 than the first Monday in April of
24 2027, the Secretary shall establish
25 standards for reasonable and relevant

1 contract terms and conditions for pur-
2 poses of this clause.

3 “(III) REQUEST FOR INFORMA-
4 TION.—Not later than April 1, 2026,
5 for purposes of establishing the stand-
6 ards under subclause (II), the Sec-
7 retary shall issue a request for infor-
8 mation to seek input on trends in pre-
9 scription drug plan and network phar-
10 macy contract terms and conditions,
11 current prescription drug plan and
12 network pharmacy contracting prac-
13 tices, whether pharmacy reimburse-
14 ment and dispensing fees paid by
15 PDP sponsors to network pharmacies
16 sufficiently cover the ingredient and
17 operational costs of such pharmacies,
18 the use and application of pharmacy
19 quality measures by PDP sponsors for
20 network pharmacies, PDP sponsor re-
21 strictions or limitations on the dis-
22 pensing of covered part D drugs by
23 network pharmacies (or any subsets of
24 such pharmacies), PDP sponsor au-
25 diting practices for network phar-

1 macies, areas in current regulations or
 2 program guidance related to con-
 3 tracting between prescription drug
 4 plans and network pharmacies requir-
 5 ing clarification or additional speci-
 6 ficity, factors for consideration in de-
 7 termining the reasonableness and rel-
 8 evance of contract terms and condi-
 9 tions between prescription drug plans
 10 and network pharmacies, and other
 11 issues as determined appropriate by
 12 the Secretary.”.

13 (2) ESSENTIAL RETAIL PHARMACIES.—Section
 14 1860D–42 of the Social Security Act (42 U.S.C.
 15 1395w–152) is amended by adding at the end the
 16 following new subsection:

17 “(e) ESSENTIAL RETAIL PHARMACIES.—

18 “(1) IN GENERAL.—With respect to plan years
 19 beginning on or after January 1, 2028, the Sec-
 20 retary shall publish reports, at least once every 2
 21 years until 2034, and periodically thereafter, that
 22 provide information, to the extent feasible, on—

23 “(A) trends in ingredient cost reimburse-
 24 ment, dispensing fees, incentive payments and
 25 other fees paid by PDP sponsors offering pre-

1 scription drug plans and MA organizations of-
2 fering MA–PD plans under this part to essen-
3 tial retail pharmacies (as defined in paragraph
4 (2)) with respect to the dispensing of covered
5 part D drugs, including a comparison of such
6 trends between essential retail pharmacies and
7 pharmacies that are not essential retail phar-
8 macies;

9 “(B) trends in amounts paid to PDP spon-
10 sors offering prescription drug plans and MA
11 organizations offering MA–PD plans under this
12 part by essential retail pharmacies with respect
13 to the dispensing of covered part D drugs, in-
14 cluding a comparison of such trends between
15 essential retail pharmacies and pharmacies that
16 are not essential retail pharmacies;

17 “(C) trends in essential retail pharmacy
18 participation in pharmacy networks and pre-
19 ferred pharmacy networks for prescription drug
20 plans offered by PDP sponsors and MA–PD
21 plans offered by MA organizations under this
22 part, including a comparison of such trends be-
23 tween essential retail pharmacies and phar-
24 macies that are not essential retail pharmacies;

1 “(D) trends in the number of essential re-
2 tail pharmacies, including variation in such
3 trends by geographic region or other factors;

4 “(E) a comparison of cost-sharing for cov-
5 ered part D drugs dispensed by essential retail
6 pharmacies that are network pharmacies for
7 prescription drug plans offered by PDP spon-
8 sors and MA–PD plans offered by MA organi-
9 zations under this part and cost-sharing for
10 covered part D drugs dispensed by other net-
11 work pharmacies for such plans located in simi-
12 lar geographic areas that are not essential retail
13 pharmacies;

14 “(F) a comparison of the volume of cov-
15 ered part D drugs dispensed by essential retail
16 pharmacies that are network pharmacies for
17 prescription drug plans offered by PDP spon-
18 sors and MA–PD plans offered by MA organi-
19 zations under this part and such volume of dis-
20 pensing by network pharmacies for such plans
21 located in similar geographic areas that are not
22 essential retail pharmacies, including informa-
23 tion on any patterns or trends in such compari-
24 son specific to certain types of covered part D
25 drugs, such as generic drugs or drugs specified

as specialty drugs by a PDP sponsor under a prescription drug plan or an MA organization under an MA–PD plan; and

“(G) a comparison of the information described in subparagraphs (A) through (F) between essential retail pharmacies that are network pharmacies for prescription drug plans offered by PDP sponsors under this part and essential retail pharmacies that are network pharmacies for MA–PD plans offered by MA organizations under this part.

“(2) DEFINITION OF ESSENTIAL RETAIL PHARMACY.—In this subsection, the term ‘essential retail pharmacy’ means, with respect to a plan year, a retail pharmacy that—

“(A) is not a pharmacy that is an affiliate as defined in paragraph (4); and

“(B) is located in—

“(i) a rural area in which there is no other retail pharmacy within 10 miles, as determined by the Secretary;

“(ii) a suburban area in which there is no other retail pharmacy within 2 miles, as determined by the Secretary; or

1 “(iii) an urban area in which there is
2 no other retail pharmacy within 1 mile, as
3 determined by the Secretary.

4 “(3) LIST OF ESSENTIAL RETAIL PHAR-
5 MACIES.—

6 “(A) PUBLICATION OF LIST OF ESSENTIAL
7 RETAIL PHARMACIES.—For each plan year (be-
8 ginning with plan year 2028), the Secretary
9 shall publish, on a publicly available internet
10 website of the Centers for Medicare & Medicaid
11 Services, a list of pharmacies that meet the cri-
12 teria described in subparagraphs (A) and (B) of
13 paragraph (2) to be considered an essential re-
14 tail pharmacy.

15 “(B) REQUIRED SUBMISSIONS FROM PDP
16 SPONSORS.—For each plan year (beginning
17 with plan year 2028), each PDP sponsor offer-
18 ing a prescription drug plan and each MA orga-
19 nization offering an MA–PD plan shall submit
20 to the Secretary, for the purposes of deter-
21 mining retail pharmacies that meet the criterion
22 specified in subparagraph (A) of paragraph (2),
23 a list of retail pharmacies that are affiliates of
24 such sponsor or organization, or are affiliates of
25 a pharmacy benefit manager acting on behalf of

1 such sponsor or organization, at a time, and in
2 a form and manner, specified by the Secretary.

3 “(C) REPORTING BY PDP SPONSORS AND
4 MA ORGANIZATIONS.—For each plan year be-
5 ginning with plan year 2027, each PDP sponsor
6 offering a prescription drug plan and each MA
7 organization offering an MA–PD plan under
8 this part shall submit to the Secretary informa-
9 tion on incentive payments and other fees paid
10 by such sponsor or organization to pharmacies,
11 insofar as any such payments or fees are not
12 otherwise reported, at a time, and in a form
13 and manner, specified by the Secretary.

14 “(D) IMPLEMENTATION.—Notwithstanding
15 any other provision of law, the Secretary may
16 implement this paragraph by program instruc-
17 tion or otherwise.

18 “(E) NONAPPLICATION OF PAPERWORK
19 REDUCTION ACT.—Chapter 35 of title 44,
20 United States Code, shall not apply to the im-
21 plementation of this paragraph.

22 “(4) DEFINITION OF AFFILIATE; PHARMACY
23 BENEFIT MANAGER.—In this subsection, the terms
24 ‘affiliate’ and ‘pharmacy benefit manager’ have the

1 meaning given those terms in section 1860D–
 2 12(h)(7).”.

3 (3) ENFORCEMENT.—

4 (A) IN GENERAL.—Section 1860D–4(b)(1)
 5 of the Social Security Act (42 U.S.C. 1395w–
 6 104(b)(1)) is amended by adding at the end the
 7 following new subparagraph:

8 “(F) ENFORCEMENT OF STANDARDS FOR
 9 REASONABLE AND RELEVANT CONTRACT TERMS
 10 AND CONDITIONS.—

11 “(i) ALLEGATION SUBMISSION PROC-
 12 ESS.—

13 “(I) IN GENERAL.—Not later
 14 than January 1, 2028, the Secretary
 15 shall establish a process through
 16 which a pharmacy may submit to the
 17 Secretary an allegation of a violation
 18 by a PDP sponsor offering a prescrip-
 19 tion drug plan of the standards for
 20 reasonable and relevant contract
 21 terms and conditions under subpara-
 22 graph (A)(ii), or of subclause (VIII)
 23 of this clause.

24 “(II) FREQUENCY OF SUBMIS-
 25 SION.—

1 “(aa) IN GENERAL.—Except
2 as provided in item (bb), the alle-
3 gation submission process under
4 this clause shall allow pharmacies
5 to submit any allegations of vio-
6 lations described in subclause (I)
7 not more frequently than once
8 per plan year per contract be-
9 tween a pharmacy and a PDP
10 sponsor.

11 “(bb) ALLEGATIONS RELAT-
12 ING TO CONTRACT MODIFICA-
13 TIONS.—In the case where a con-
14 tract between a pharmacy and a
15 PDP sponsor is modified fol-
16 lowing the submission of allega-
17 tions by a pharmacy with respect
18 to such contract and plan year,
19 the allegation submission process
20 under this clause shall allow such
21 pharmacy to submit an additional
22 allegation related to those modi-
23 fications with respect to such
24 contract and plan year.

1 “(III) ACCESS TO RELEVANT
2 DOCUMENTS AND MATERIALS.—A
3 PDP sponsor subject to an allegation
4 under this clause—

5 “(aa) shall provide docu-
6 ments or materials, as specified
7 by the Secretary, including con-
8 tract offers made by such spon-
9 sor to such pharmacy or cor-
10 respondence related to such of-
11 fers, to the Secretary at a time,
12 and in a form and manner, speci-
13 fied by the Secretary; and

14 “(bb) shall not prohibit or
15 otherwise limit the ability of a
16 pharmacy to submit such docu-
17 ments or materials to the Sec-
18 retary for the purpose of submit-
19 ting an allegation or providing
20 evidence for such an allegation
21 under this clause.

22 “(IV) STANDARDIZED TEM-
23 PLATE.—The Secretary shall establish
24 a standardized template for phar-
25 macies to use for the submission of al-

1 legations described in subclause (I).
2 Such template shall require that the
3 submission include a certification by
4 the pharmacy that the information in-
5 cluded is accurate, complete, and true
6 to the best of the knowledge, informa-
7 tion, and belief of such pharmacy.

8 “(V) PREVENTING FRIVOLOUS
9 ALLEGATIONS.—In the case where the
10 Secretary determines that a pharmacy
11 has submitted frivolous allegations
12 under this clause on a routine basis,
13 the Secretary may temporarily pro-
14 hibit such pharmacy from using the
15 allegation submission process under
16 this clause, as determined appropriate
17 by the Secretary.

18 “(VI) EXEMPTION FROM FREE-
19 DOM OF INFORMATION ACT.—Allega-
20 tions submitted under this clause shall
21 be exempt from disclosure under sec-
22 tion 552 of title 5, United States
23 Code.

24 “(VII) RULE OF CONSTRUC-
25 TION.—Nothing in this clause shall be

1 construed as limiting the ability of a
 2 pharmacy to pursue other legal ac-
 3 tions or remedies, consistent with ap-
 4 plicable Federal or State law, with re-
 5 spect to a potential violation of a re-
 6 quirement described in this subpara-
 7 graph.

8 “(VIII) ANTI-RETALIATION AND
 9 ANTI-COERCION.—Consistent with ap-
 10 plicable Federal or State law, a PDP
 11 sponsor shall not—

12 “(aa) retaliate against a
 13 pharmacy for submitting any al-
 14 legations under this clause; or

15 “(bb) coerce, intimidate,
 16 threaten, or interfere with the
 17 ability of a pharmacy to submit
 18 any such allegations.

19 “(ii) INVESTIGATION.—The Secretary
 20 shall investigate, as determined appro-
 21 priate by the Secretary, allegations sub-
 22 mitted pursuant to clause (i).

23 “(iii) ENFORCEMENT.—

24 “(I) IN GENERAL.—In the case
 25 where the Secretary determines that a

PDP sponsor offering a prescription drug plan has violated the standards for reasonable and relevant contract terms and conditions under subparagraph (A)(ii), the Secretary may use authorities under sections 1857(g) and 1860D–12(b)(3)(E) to impose civil monetary penalties or other intermediate sanctions.

“(II) APPLICATION OF CIVIL MONETARY PENALTIES.—The provisions of section 1128A (other than subsections (a) and (b)) shall apply to a civil monetary penalty under this clause in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a).”.

(B) CONFORMING AMENDMENT.—Section 1857(g)(1) of the Social Security Act (42 U.S.C. 1395w–27(g)(1)) is amended—

- (i) in subparagraph (J), by striking “or” after the semicolon;
- (ii) by redesignating subparagraph (K) as subparagraph (L);

1 (iii) by inserting after subparagraph
2 (J), the following new subparagraph:

3 “(K) fails to comply with the standards for
4 reasonable and relevant contract terms and con-
5 ditions under subparagraph (A)(ii) of section
6 1860D–4(b)(1); or”;

7 (iv) in subparagraph (L), as redesign-
8 nated by clause (ii), by striking “through
9 (J)” and inserting “through (K)”; and

10 (v) in the flush matter following sub-
11 paragraph (L), as so redesignated, by
12 striking “subparagraphs (A) through (K)”
13 and inserting “subparagraphs (A) through
14 (L)”.

15 (4) ACCOUNTABILITY OF PHARMACY BENEFIT
16 MANAGERS FOR VIOLATIONS OF REASONABLE AND
17 RELEVANT CONTRACT TERMS AND CONDITIONS.—

18 (A) IN GENERAL.—Section 1860D–12(b)
19 of the Social Security Act (42 U.S.C. 1395w–
20 112) is amended by adding at the end the fol-
21 lowing new paragraph:

22 “(9) ACCOUNTABILITY OF PHARMACY BENEFIT
23 MANAGERS FOR VIOLATIONS OF REASONABLE AND
24 RELEVANT CONTRACT TERMS AND CONDITIONS.—

25 For plan years beginning on or after January 1,

1 2028, each contract entered into with a PDP spon-
 2 sor under this part with respect to a prescription
 3 drug plan offered by such sponsor shall provide that
 4 any pharmacy benefit manager acting on behalf of
 5 such sponsor has a written agreement with the PDP
 6 sponsor under which the pharmacy benefit manager
 7 agrees to reimburse the PDP sponsor for any
 8 amounts paid by such sponsor under section 1860D–
 9 4(b)(1)(F)(iii)(I) to the Secretary as a result of a
 10 violation described in such section if such violation
 11 is related to a responsibility delegated to the phar-
 12 macy benefit manager by such PDP sponsor.”.

13 (B) MA–PD PLANS.—Section 1857(f)(3)
 14 of the Social Security Act (42 U.S.C. 1395w–
 15 27(f)(3)) is amended by adding at the end the
 16 following new subparagraph:

17 “(F) ACCOUNTABILITY OF PHARMACY
 18 BENEFIT MANAGERS FOR VIOLATIONS OF REA-
 19 SONABLE AND RELEVANT CONTRACT TERMS.—
 20 For plan years beginning on or after January
 21 1, 2028, section 1860D–12(b)(9).”.

22 (5) BIENNIAL REPORT ON ENFORCEMENT AND
 23 OVERSIGHT OF PHARMACY ACCESS REQUIRE-
 24 MENTS.—Section 1860D–42 of the Social Security
 25 Act (42 U.S.C. 1395w–152), as amended by para-

1 graph (2), is amended by adding at the end the fol-
 2 lowing new subsection:

3 “(f) BIENNIAL REPORT ON ENFORCEMENT AND
 4 OVERSIGHT OF PHARMACY ACCESS REQUIREMENTS.—

5 “(1) IN GENERAL.—Not later than 2 years
 6 after the date of enactment of this subsection, and
 7 at least once every 2 years thereafter, the Secretary
 8 shall publish a report on enforcement and oversight
 9 actions and activities undertaken by the Secretary
 10 with respect to the requirements under section
 11 1860D–4(b)(1).

12 “(2) LIMITATION.—A report under paragraph
 13 (1) shall not disclose—

14 “(A) identifiable information about individ-
 15 uals or entities unless such information is oth-
 16 erwise publicly available; or

17 “(B) trade secrets with respect to any enti-
 18 ties.”.

19 (6) FUNDING.—In addition to amounts other-
 20 wise available, there is appropriated to the Centers
 21 for Medicare & Medicaid Services Program Manage-
 22 ment Account, out of any money in the Treasury not
 23 otherwise appropriated, \$188,000,000 for fiscal year
 24 2026, to remain available until expended, to carry
 25 out this subsection.

1 (b) MODERNIZING AND ENSURING PBM ACCOUNT-
2 ABILITY.—

3 (1) IN GENERAL.—

4 (A) PRESCRIPTION DRUG PLANS.—Section
5 1860D–12 of the Social Security Act (42
6 U.S.C. 1395w–112) is amended by adding at
7 the end the following new subsection:

8 “(h) REQUIREMENTS RELATING TO PHARMACY BEN-
9 EFIT MANAGERS.—For plan years beginning on or after
10 January 1, 2028:

11 “(1) AGREEMENTS WITH PHARMACY BENEFIT
12 MANAGERS.—Each contract entered into with a
13 PDP sponsor under this part with respect to a pre-
14 scription drug plan offered by such sponsor shall
15 provide that any pharmacy benefit manager acting
16 on behalf of such sponsor has a written agreement
17 with the PDP sponsor under which the pharmacy
18 benefit manager, and any affiliates of such phar-
19 macy benefit manager, as applicable, agree to meet
20 the following requirements:

21 “(A) NO INCOME OTHER THAN BONA FIDE
22 SERVICE FEES.—

23 “(i) IN GENERAL.—The pharmacy
24 benefit manager and any affiliate of such
25 pharmacy benefit manager shall not derive

1 any remuneration with respect to any serv-
2 ices provided on behalf of any entity or in-
3 dividual, in connection with the utilization
4 of covered part D drugs, from any such en-
5 tity or individual other than bona fide serv-
6 ice fees, subject to clauses (ii) and (iii).

7 “(ii) INCENTIVE PAYMENTS.—For the
8 purposes of this subsection, an incentive
9 payment (as determined by the Secretary)
10 paid by a PDP sponsor to a pharmacy
11 benefit manager that is performing serv-
12 ices on behalf of such sponsor shall be
13 deemed a ‘bona fide service fee’ (even if
14 such payment does not otherwise meet the
15 definition of such term under paragraph
16 (7)(B)) if such payment is a flat dollar
17 amount, is consistent with fair market
18 value (as specified by the Secretary), is re-
19 lated to services actually performed by the
20 pharmacy benefit manager or affiliate of
21 such pharmacy benefit manager, on behalf
22 of the PDP sponsor making such payment,
23 in connection with the utilization of cov-
24 ered part D drugs, and meets additional

1 requirements, if any, as determined appro-
2 priate by the Secretary.

3 “(iii) CLARIFICATION ON REBATES
4 AND DISCOUNTS USED TO LOWER COSTS
5 FOR COVERED PART D DRUGS.—Rebates,
6 discounts, and other price concessions re-
7 ceived by a pharmacy benefit manager or
8 an affiliate of a pharmacy benefit manager
9 from manufacturers, even if such price
10 concessions are calculated as a percentage
11 of a drug’s price, shall not be considered a
12 violation of the requirements of clause (i)
13 if they are fully passed through to a PDP
14 sponsor and are compliant with all regu-
15 latory and subregulatory requirements re-
16 lated to direct and indirect remuneration
17 for manufacturer rebates under this part,
18 including in cases where a PDP sponsor is
19 acting as a pharmacy benefit manager on
20 behalf of a prescription drug plan offered
21 by such PDP sponsor.

22 “(iv) EVALUATION OF REMUNERATION
23 ARRANGEMENTS.—Components of subsets
24 of remuneration arrangements (such as
25 fees or other forms of compensation paid

1 to or retained by the pharmacy benefit
2 manager or affiliate of such pharmacy ben-
3 efit manager), as determined appropriate
4 by the Secretary, between pharmacy ben-
5 efit managers or affiliates of such phar-
6 macy benefit managers, as applicable, and
7 other entities involved in the dispensing or
8 utilization of covered part D drugs (includ-
9 ing PDP sponsors, manufacturers, phar-
10 macies, and other entities as determined
11 appropriate by the Secretary) shall be sub-
12 ject to review by the Secretary, in con-
13 sultation with the Office of the Inspector
14 General of the Department of Health and
15 Human Services, as determined appro-
16 priate by the Secretary. The Secretary, in
17 consultation with the Office of the Inspec-
18 tor General, shall review whether remu-
19 nation under such arrangements is con-
20 sistent with fair market value (as specified
21 by the Secretary) through reviews and as-
22 sessments of such remuneration, as deter-
23 mined appropriate.

24 “(v) DISGORGEMENT.—The pharmacy
25 benefit manager shall disgorge any remu-

neration paid to such pharmacy benefit manager or an affiliate of such pharmacy benefit manager in violation of this subparagraph to the PDP sponsor.

“(vi) ADDITIONAL REQUIREMENTS.—

The pharmacy benefit manager shall—

“(I) enter into a written agree-

ment with any affiliate of such phar-

macy benefit manager, under which

the affiliate shall identify and disgorge

any remuneration described in clause

(v) to the pharmacy benefit manager;

and

“(II) attest, subject to any re-

quirements determined appropriate by

the Secretary, that the pharmacy ben-

efit manager has entered into a writ-

ten agreement described in subclause

(I) with any relevant affiliate of the

pharmacy benefit manager.

“(B) TRANSPARENCY REGARDING GUARAN-

TEES AND COST PERFORMANCE EVALUA-

TIONS.—The pharmacy benefit manager shall—

“(i) define, interpret, and apply, in a

fully transparent and consistent manner

1 for purposes of calculating or otherwise
2 evaluating pharmacy benefit manager per-
3 formance against pricing guarantees or
4 similar cost performance measurements re-
5 lated to rebates, discounts, price conces-
6 sions, or net costs, terms such as—

7 “(I) ‘generic drug’, in a manner
8 consistent with the definition of the
9 term under section 423.4 of title 42,
10 Code of Federal Regulations, or a suc-
11 cessor regulation;

12 “(II) ‘brand name drug’, in a
13 manner consistent with the definition
14 of the term under section 423.4 of
15 title 42, Code of Federal Regulations,
16 or a successor regulation;

17 “(III) ‘specialty drug’;

18 “(IV) ‘rebate’; and

19 “(V) ‘discount’;

20 “(ii) identify any drugs, claims, or
21 price concessions excluded from any pric-
22 ing guarantee or other cost performance
23 measure in a clear and consistent manner;
24 and

1 “(iii) where a pricing guarantee or
 2 other cost performance measure is based
 3 on a pricing benchmark other than the
 4 wholesale acquisition cost (as defined in
 5 section 1847A(c)(6)(B)) of a drug, cal-
 6 culate and provide a wholesale acquisition
 7 cost-based equivalent to the pricing guar-
 8 antee or other cost performance measure.

9 “(C) PROVISION OF INFORMATION.—

10 “(i) IN GENERAL.—Not later than
 11 July 1 of each year, beginning in 2028, the
 12 pharmacy benefit manager shall submit to
 13 the PDP sponsor, and to the Secretary, a
 14 report, in accordance with this subpara-
 15 graph, and shall make such report avail-
 16 able to such sponsor at no cost to such
 17 sponsor in a format specified by the Sec-
 18 retary under paragraph (5). Each such re-
 19 port shall include, with respect to such
 20 PDP sponsor and each plan offered by
 21 such sponsor, the following information
 22 with respect to the previous plan year:

23 “(I) A list of all drugs covered by
 24 the plan that were dispensed includ-
 25 ing, with respect to each such drug—

1 “(aa) the brand name, ge-
2 neric or non-proprietary name,
3 and National Drug Code;

4 “(bb) the number of plan
5 enrollees for whom the drug was
6 dispensed, the total number of
7 prescription claims for the drug
8 (including original prescriptions
9 and refills, counted as separate
10 claims), and the total number of
11 dosage units of the drug dis-
12 pensed;

13 “(cc) the number of pre-
14 scription claims described in item
15 (bb) by each type of dispensing
16 channel through which the drug
17 was dispensed, including retail,
18 mail order, specialty pharmacy,
19 long term care pharmacy, home
20 infusion pharmacy, or other types
21 of pharmacies or providers;

22 “(dd) the average wholesale
23 acquisition cost, listed as cost per
24 day’s supply, cost per dosage

1 unit, and cost per typical course
2 of treatment (as applicable);

3 “(ee) the average wholesale
4 price for the drug, listed as price
5 per day’s supply, price per dos-
6 age unit, and price per typical
7 course of treatment (as applica-
8 ble);

9 “(ff) the total out-of-pocket
10 spending by plan enrollees on
11 such drug after application of
12 any benefits under the plan, in-
13 cluding plan enrollee spending
14 through copayments, coinsurance,
15 and deductibles;

16 “(gg) total rebates paid by
17 the manufacturer on the drug as
18 reported under the Detailed DIR
19 Report (or any successor report)
20 submitted by such sponsor to the
21 Centers for Medicare & Medicaid
22 Services;

23 “(hh) all other direct or in-
24 direct remuneration on the drug
25 as reported under the Detailed

1 DIR Report (or any successor re-
2 port) submitted by such sponsor
3 to the Centers for Medicare &
4 Medicaid Services;

5 “(ii) the average pharmacy
6 reimbursement amount paid by
7 the plan for the drug in the ag-
8 gregate and disaggregated by dis-
9 pensing channel identified in item
10 (cc);

11 “(jj) the average National
12 Average Drug Acquisition Cost
13 (NADAC); and

14 “(kk) total manufacturer-de-
15 rived revenue, inclusive of bona
16 fide service fees, attributable to
17 the drug and retained by the
18 pharmacy benefit manager and
19 any affiliate of such pharmacy
20 benefit manager.

21 “(II) In the case of a pharmacy
22 benefit manager that has an affiliate
23 that is a retail, mail order, or spe-
24 cialty pharmacy, with respect to drugs

covered by such plan that were dispensed, the following information:

“(aa) The percentage of total prescriptions that were dispensed by pharmacies that are an affiliate of the pharmacy benefit manager for each drug.

“(bb) The interquartile range of the total combined costs paid by the plan and plan enrollees, per dosage unit, per course of treatment, per 30-day supply, and per 90-day supply for each drug dispensed by pharmacies that are not an affiliate of the pharmacy benefit manager and that are included in the pharmacy network of such plan.

“(cc) The interquartile range of the total combined costs paid by the plan and plan enrollees, per dosage unit, per course of treatment, per 30-day supply, and per 90-day supply for each drug dispensed by pharmacies

1 that are an affiliate of the phar-
2 macy benefit manager and that
3 are included in the pharmacy
4 network of such plan.

5 “(dd) The lowest total com-
6 bined cost paid by the plan and
7 plan enrollees, per dosage unit,
8 per course of treatment, per 30-
9 day supply, and per 90-day sup-
10 ply, for each drug that is avail-
11 able from any pharmacy included
12 in the pharmacy network of such
13 plan.

14 “(ee) The difference between
15 the average acquisition cost of
16 the affiliate, such as a pharmacy
17 or other entity that acquires pre-
18 scription drugs, that initially ac-
19 quires the drug and the amount
20 reported under subclause (I)(jj)
21 for each drug.

22 “(ff) A list inclusive of the
23 brand name, generic or non-pro-
24 prietary name, and National
25 Drug Code of covered part D

1 drugs subject to an agreement
2 with a covered entity under sec-
3 tion 340B of the Public Health
4 Service Act for which the phar-
5 macy benefit manager or an affil-
6 iate of the pharmacy benefit
7 manager had a contract or other
8 arrangement with such a covered
9 entity in the service area of such
10 plan.

11 “(III) Where a drug approved
12 under section 505(c) of the Federal
13 Food, Drug, and Cosmetic Act (re-
14 ferred to in this subclause as the ‘list-
15 ed drug’) is covered by the plan, the
16 following information:

17 “(aa) A list of currently
18 marketed generic drugs approved
19 under section 505(j) of the Fed-
20 eral Food, Drug, and Cosmetic
21 Act pursuant to an application
22 that references such listed drug
23 that are not covered by the plan,
24 are covered on the same for-
25 mulary tier or a formulary tier

1 typically associated with higher
2 cost-sharing than the listed drug,
3 or are subject to utilization man-
4 agement that the listed drug is
5 not subject to.

6 “(bb) The estimated average
7 beneficiary cost-sharing under
8 the plan for a 30-day supply of
9 the listed drug.

10 “(cc) Where a generic drug
11 listed under item (aa) is on a for-
12 mulary tier typically associated
13 with higher cost-sharing than the
14 listed drug, the estimated aver-
15 age cost-sharing that a bene-
16 ficiary would have paid for a 30-
17 day supply of each of the generic
18 drugs described in item (aa), had
19 the plan provided coverage for
20 such drugs on the same for-
21 mulary tier as the listed drug.

22 “(dd) A written justification
23 for providing more favorable cov-
24 erage of the listed drug than the

1 generic drugs described in item
2 (aa).

3 “(ee) The number of cur-
4 rently marketed generic drugs
5 approved under section 505(j) of
6 the Federal Food, Drug, and
7 Cosmetic Act pursuant to an ap-
8 plication that references such
9 listed drug.

10 “(IV) Where a reference product
11 (as defined in section 351(i) of the
12 Public Health Service Act) is covered
13 by the plan, the following information:

14 “(aa) A list of currently
15 marketed biosimilar biological
16 products licensed under section
17 351(k) of the Public Health
18 Service Act pursuant to an appli-
19 cation that refers to such ref-
20 erence product that are not cov-
21 ered by the plan, are covered on
22 the same formulary tier or a for-
23 mulary tier typically associated
24 with higher cost-sharing than the
25 reference product, or are subject

1 to utilization management that
2 the reference product is not sub-
3 ject to.

4 “(bb) The estimated average
5 beneficiary cost-sharing under
6 the plan for a 30-day supply of
7 the reference product.

8 “(cc) Where a biosimilar bi-
9 ological product listed under item
10 (aa) is on a formulary tier typi-
11 cally associated with higher cost-
12 sharing than the reference prod-
13 uct, the estimated average cost-
14 sharing that a beneficiary would
15 have paid for a 30-day supply of
16 each of the biosimilar biological
17 products described in item (aa),
18 had the plan provided coverage
19 for such products on the same
20 formulary tier as the reference
21 product.

22 “(dd) A written justification
23 for providing more favorable cov-
24 erage of the reference product

1 than the biosimilar biological
2 product described in item (aa).

3 “(ee) The number of cur-
4 rently marketed biosimilar bio-
5 logical products licensed under
6 section 351(k) of the Public
7 Health Service Act, pursuant to
8 an application that refers to such
9 reference product.

10 “(V) Total gross spending on
11 covered part D drugs by the plan, not
12 net of rebates, fees, discounts, or
13 other direct or indirect remuneration.

14 “(VI) The total amount retained
15 by the pharmacy benefit manager or
16 an affiliate of such pharmacy benefit
17 manager in revenue related to utiliza-
18 tion of covered part D drugs under
19 that plan, inclusive of bona fide serv-
20 ice fees.

21 “(VII) The total spending on cov-
22 ered part D drugs net of rebates, fees,
23 discounts, or other direct and indirect
24 remuneration by the plan.

1 “(VIII) An explanation of any
2 benefit design parameters under such
3 plan that encourage plan enrollees to
4 fill prescriptions at pharmacies that
5 are an affiliate of such pharmacy ben-
6 efit manager, such as mail and spe-
7 cialty home delivery programs, and re-
8 tail and mail auto-refill programs.

9 “(IX) The following information:

10 “(aa) A list of all brokers,
11 consultants, advisors, and audi-
12 tors that receive compensation
13 from the pharmacy benefit man-
14 ager or an affiliate of such phar-
15 macy benefit manager for refer-
16 rals, consulting, auditing, or
17 other services offered to PDP
18 sponsors related to pharmacy
19 benefit management services.

20 “(bb) The amount of com-
21 pensation provided by such phar-
22 macy benefit manager or affiliate
23 to each such broker, consultant,
24 advisor, and auditor.

1 “(cc) The methodology for
2 calculating the amount of com-
3 pensation provided by such phar-
4 macy benefit manager or affil-
5 iate, for each such broker, con-
6 sultant, advisor, and auditor.

7 “(X) A list of all affiliates of the
8 pharmacy benefit manager.

9 “(XI) A summary document sub-
10 mitted in a standardized template de-
11 veloped by the Secretary that includes
12 such information described in sub-
13 clauses (I) through (X).

14 “(ii) WRITTEN EXPLANATION OF CON-
15 TRACTS OR AGREEMENTS WITH DRUG
16 MANUFACTURERS.—

17 “(I) IN GENERAL.—The phar-
18 macy benefit manager shall, not later
19 than 30 days after the finalization of
20 any contract or agreement between
21 such pharmacy benefit manager or an
22 affiliate of such pharmacy benefit
23 manager and a drug manufacturer (or
24 subsidiary, agent, or entity affiliated
25 with such drug manufacturer) that

1 makes rebates, discounts, payments,
2 or other financial incentives related to
3 one or more covered part D drugs or
4 other prescription drugs, as applica-
5 ble, of the manufacturer directly or
6 indirectly contingent upon coverage,
7 formulary placement, or utilization
8 management conditions on any other
9 covered part D drugs or other pre-
10 scription drugs, as applicable, submit
11 to the PDP sponsor a written expla-
12 nation of such contract or agreement.

13 “(II) REQUIREMENTS.—A writ-
14 ten explanation under subclause (I)
15 shall—

16 “(aa) include the manufac-
17 turer subject to the contract or
18 agreement, all covered part D
19 drugs and other prescription
20 drugs, as applicable, subject to
21 the contract or agreement and
22 the manufacturers of such drugs,
23 and a high-level description of
24 the terms of such contract or

1 agreement and how such terms
2 apply to such drugs; and

3 “(bb) be certified by the
4 Chief Executive Officer, Chief Fi-
5 nancial Officer, or General Coun-
6 sel of such pharmacy benefit
7 manager, or affiliate of such
8 pharmacy benefit manager, as
9 applicable, or an individual dele-
10 gated with the authority to sign
11 on behalf of one of these officers,
12 who reports directly to the offi-
13 cer.

14 “(III) DEFINITION OF OTHER
15 PRESCRIPTION DRUGS.—For purposes
16 of this clause, the term ‘other pre-
17 scription drugs’ means prescription
18 drugs covered as supplemental bene-
19 fits under this part or prescription
20 drugs paid outside of this part.

21 “(D) AUDIT RIGHTS.—

22 “(i) IN GENERAL.—Not less than once
23 a year, at the request of the PDP sponsor,
24 the pharmacy benefit manager shall allow
25 for an audit of the pharmacy benefit man-

1 ager to ensure compliance with all terms
2 and conditions under the written agree-
3 ment described in this paragraph and the
4 accuracy of information reported under
5 subparagraph (C).

6 “(ii) AUDITOR.—The PDP sponsor
7 shall have the right to select an auditor.
8 The pharmacy benefit manager shall not
9 impose any limitations on the selection of
10 such auditor.

11 “(iii) PROVISION OF INFORMATION.—
12 The pharmacy benefit manager shall make
13 available to such auditor all records, data,
14 contracts, and other information necessary
15 to confirm the accuracy of information
16 provided under subparagraph (C), subject
17 to reasonable restrictions on how such in-
18 formation must be reported to prevent re-
19 disclosure of such information.

20 “(iv) TIMING.—The pharmacy benefit
21 manager must provide information under
22 clause (iii) and other information, data,
23 and records relevant to the audit to such
24 auditor within 6 months of the initiation of
25 the audit and respond to requests for addi-

1 tional information from such auditor with-
 2 in 30 days after the request for additional
 3 information.

4 “(v) INFORMATION FROM AFFILI-
 5 ATES.—The pharmacy benefit manager
 6 shall be responsible for providing to such
 7 auditor information required to be reported
 8 under subparagraph (C) or under clause
 9 (iii) of this subparagraph that is owned or
 10 held by an affiliate of such pharmacy ben-
 11 efit manager.

12 “(2) ENFORCEMENT.—

13 “(A) IN GENERAL.—Each PDP sponsor
 14 shall—

15 “(i) disgorge to the Secretary any
 16 amounts disgorged to the PDP sponsor by
 17 a pharmacy benefit manager under para-
 18 graph (1)(A)(v);

19 “(ii) require, in a written agreement
 20 with any pharmacy benefit manager acting
 21 on behalf of such sponsor or affiliate of
 22 such pharmacy benefit manager, that such
 23 pharmacy benefit manager or affiliate re-
 24 imburse the PDP sponsor for any civil
 25 money penalty imposed on the PDP spon-

1 sor as a result of the failure of the phar-
2 macy benefit manager or affiliate to meet
3 the requirements of paragraph (1) that are
4 applicable to the pharmacy benefit man-
5 ager or affiliate under the agreement; and

6 “(iii) require, in a written agreement
7 with any such pharmacy benefit manager
8 acting on behalf of such sponsor or affil-
9 iate of such pharmacy benefit manager,
10 that such pharmacy benefit manager or af-
11 filiate be subject to punitive remedies for
12 breach of contract for failure to comply
13 with the requirements applicable under
14 paragraph (1).

15 “(B) REPORTING OF ALLEGED VIOLA-
16 TIONS.—The Secretary shall make available and
17 maintain a mechanism for manufacturers, PDP
18 sponsors, pharmacies, and other entities that
19 have contractual relationships with pharmacy
20 benefit managers or affiliates of such pharmacy
21 benefit managers to report, on a confidential
22 basis, alleged violations of paragraph (1)(A) or
23 subparagraph (C).

1 “(C) ANTI-RETALIATION AND ANTI-COER-
2 CION.—Consistent with applicable Federal or
3 State law, a PDP sponsor shall not—

4 “(i) retaliate against an individual or
5 entity for reporting an alleged violation
6 under subparagraph (B); or

7 “(ii) coerce, intimidate, threaten, or
8 interfere with the ability of an individual
9 or entity to report any such alleged viola-
10 tions.

11 “(3) CERTIFICATION OF COMPLIANCE.—

12 “(A) IN GENERAL.—Each PDP sponsor
13 shall furnish to the Secretary (at a time and in
14 a manner specified by the Secretary) an annual
15 certification of compliance with this subsection,
16 as well as such information as the Secretary de-
17 termines necessary to carry out this subsection.

18 “(B) IMPLEMENTATION.—Notwithstanding
19 any other provision of law, the Secretary may
20 implement this paragraph by program instruc-
21 tion or otherwise.

22 “(4) RULE OF CONSTRUCTION.—Nothing in
23 this subsection shall be construed as—

24 “(A) prohibiting flat dispensing fees or re-
25 imbursement or payment for ingredient costs

1 (including customary, industry-standard dis-
2 counts directly related to drug acquisition that
3 are retained by pharmacies or wholesalers) to
4 entities that acquire or dispense prescription
5 drugs; or

6 “(B) modifying regulatory requirements or
7 sub-regulatory program instruction or guidance
8 related to pharmacy payment, reimbursement,
9 or dispensing fees.

10 “(5) STANDARD FORMATS.—

11 “(A) IN GENERAL.—Not later than June
12 1, 2027, the Secretary shall specify standard,
13 machine-readable formats for pharmacy benefit
14 managers to submit annual reports required
15 under paragraph (1)(C)(i).

16 “(B) IMPLEMENTATION.—Notwithstanding
17 any other provision of law, the Secretary may
18 implement this paragraph by program instruc-
19 tion or otherwise.

20 “(6) CONFIDENTIALITY.—

21 “(A) IN GENERAL.—Information disclosed
22 by a pharmacy benefit manager, an affiliate of
23 a pharmacy benefit manager, a PDP sponsor,
24 or a pharmacy under this subsection that is not
25 otherwise publicly available or available for pur-

1 chase shall not be disclosed by the Secretary or
2 a PDP sponsor receiving the information, ex-
3 cept that the Secretary may disclose the infor-
4 mation for the following purposes:

5 “(i) As the Secretary determines nec-
6 essary to carry out this part.

7 “(ii) To permit the Comptroller Gen-
8 eral to review the information provided.

9 “(iii) To permit the Director of the
10 Congressional Budget Office to review the
11 information provided.

12 “(iv) To permit the Executive Direc-
13 tor of the Medicare Payment Advisory
14 Commission to review the information pro-
15 vided.

16 “(v) To the Attorney General for the
17 purposes of conducting oversight and en-
18 forcement under this title.

19 “(vi) To the Inspector General of the
20 Department of Health and Human Serv-
21 ices in accordance with its authorities
22 under the Inspector General Act of 1978
23 (section 406 of title 5, United States
24 Code), and other applicable statutes.

“(B) RESTRICTION ON USE OF INFORMATION.—The Secretary, the Comptroller General, the Director of the Congressional Budget Office, and the Executive Director of the Medicare Payment Advisory Commission shall not report on or disclose information disclosed pursuant to subparagraph (A) to the public in a manner that would identify—

“(i) a specific pharmacy benefit manager, affiliate, pharmacy, manufacturer, wholesaler, PDP sponsor, or plan; or

“(ii) contract prices, rebates, discounts, or other remuneration for specific drugs in a manner that may allow the identification of specific contracting parties or of such specific drugs.

“(7) DEFINITIONS.—For purposes of this subsection:

“(A) AFFILIATE.—The term ‘affiliate’ means, with respect to any pharmacy benefit manager or PDP sponsor, any entity that, directly or indirectly—

“(i) owns or is owned by, controls or is controlled by, or is otherwise related in

1 any ownership structure to such pharmacy
2 benefit manager or PDP sponsor; or

3 “(ii) acts as a contractor, principal, or
4 agent to such pharmacy benefit manager
5 or PDP sponsor, insofar as such con-
6 tractor, principal, or agent performs any of
7 the functions described under subpara-
8 graph (C).

9 “(B) BONA FIDE SERVICE FEE.—The term
10 ‘bona fide service fee’ means a fee that is reflec-
11 tive of the fair market value (as specified by the
12 Secretary, through notice and comment rule-
13 making) for a bona fide, itemized service actu-
14 ally performed on behalf of an entity, that the
15 entity would otherwise perform (or contract for)
16 in the absence of the service arrangement and
17 that is not passed on in whole or in part to a
18 client or customer, whether or not the entity
19 takes title to the drug. Such fee must be a flat
20 dollar amount and shall not be directly or indi-
21 rectly based on, or contingent upon—

22 “(i) drug price, such as wholesale ac-
23 quisition cost or drug benchmark price
24 (such as average wholesale price);

1 “(ii) the amount of discounts, rebates,
2 fees, or other direct or indirect remunera-
3 tion with respect to covered part D drugs
4 dispensed to enrollees in a prescription
5 drug plan, except as permitted pursuant to
6 paragraph (1)(A)(ii);

7 “(iii) coverage or formulary placement
8 decisions or the volume or value of any re-
9 ferrals or business generated between the
10 parties to the arrangement; or

11 “(iv) any other amounts or meth-
12 odologies prohibited by the Secretary.

13 “(C) PHARMACY BENEFIT MANAGER.—The
14 term ‘pharmacy benefit manager’ means any
15 person or entity that, either directly or through
16 an intermediary, acts as a price negotiator or
17 group purchaser on behalf of a PDP sponsor or
18 prescription drug plan, or manages the pre-
19 scription drug benefits provided by such spon-
20 sor or plan, including the processing and pay-
21 ment of claims for prescription drugs, the per-
22 formance of drug utilization review, the proc-
23 essing of drug prior authorization requests, the
24 adjudication of appeals or grievances related to
25 the prescription drug benefit, contracting with

1 network pharmacies, controlling the cost of cov-
 2 ered part D drugs, or the provision of related
 3 services. Such term includes any person or enti-
 4 ty that carries out one or more of the activities
 5 described in the preceding sentence, irrespective
 6 of whether such person or entity calls itself a
 7 ‘pharmacy benefit manager’.”.

8 (B) MA–PD PLANS.—Section 1857(f)(3)
 9 of the Social Security Act (42 U.S.C. 1395w–
 10 27(f)(3)), as amended by subsection (a)(4)(B),
 11 is amended by adding at the end the following
 12 new subparagraph:

13 “(G) REQUIREMENTS RELATING TO PHAR-
 14 MACY BENEFIT MANAGERS.—For plan years be-
 15 ginning on or after January 1, 2028, section
 16 1860D–12(h).”.

17 (C) NONAPPLICATION OF PAPERWORK RE-
 18 DUCATION ACT.—Chapter 35 of title 44, United
 19 States Code, shall not apply to the implementa-
 20 tion of this paragraph.

21 (D) FUNDING.—

22 (i) SECRETARY.—In addition to
 23 amounts otherwise available, there is ap-
 24 propriated to the Centers for Medicare &
 25 Medicaid Services Program Management

1 Account, out of any money in the Treasury
2 not otherwise appropriated, \$113,000,000
3 for fiscal year 2026, to remain available
4 until expended, to carry out this para-
5 graph.

6 (ii) OIG.—In addition to amounts
7 otherwise available, there is appropriated
8 to the Inspector General of the Depart-
9 ment of Health and Human Services, out
10 of any money in the Treasury not other-
11 wise appropriated, \$20,000,000 for fiscal
12 year 2026, to remain available until ex-
13 pended, to carry out this paragraph.

14 (2) GAO STUDY AND REPORT ON PRICE-RE-
15 LATED COMPENSATION ACROSS THE SUPPLY
16 CHAIN.—

17 (A) STUDY.—The Comptroller General of
18 the United States (in this paragraph referred to
19 as the “Comptroller General”) shall conduct a
20 study describing the use of compensation and
21 payment structures related to a prescription
22 drug’s price within the retail prescription drug
23 supply chain in part D of title XVIII of the So-
24 cial Security Act (42 U.S.C. 1395w–101 et
25 seq.). Such study shall summarize information

1 from Federal agencies and industry experts, to
2 the extent available, with respect to the fol-
3 lowing:

4 (i) The type, magnitude, other fea-
5 tures (such as the pricing benchmarks
6 used), and prevalence of compensation and
7 payment structures related to a prescrip-
8 tion drug's price, such as calculating fee
9 amounts as a percentage of a prescription
10 drug's price, between intermediaries in the
11 prescription drug supply chain, including—

12 (I) pharmacy benefit managers;

13 (II) PDP sponsors offering pre-
14 scription drug plans and Medicare Ad-
15 vantage organizations offering MA-
16 PD plans;

17 (III) drug wholesalers;

18 (IV) pharmacies;

19 (V) manufacturers;

20 (VI) pharmacy services adminis-
21 trative organizations;

22 (VII) brokers, auditors, consult-
23 ants, and other entities that—

24 (aa) advise PDP sponsors
25 offering prescription drug plans

- 1 and Medicare Advantage organi-
2 zations offering MA–PD plans
3 regarding pharmacy benefits; or
4 (bb) review PDP sponsor
5 and Medicare Advantage organi-
6 zation contracts with pharmacy
7 benefit managers; and
8 (VIII) other service providers
9 that contract with any of the entities
10 described in subclauses (I) through
11 (VII) that may use price-related com-
12 pensation and payment structures,
13 such as rebate aggregators (or other
14 entities that negotiate or process price
15 concessions on behalf of pharmacy
16 benefit managers, plan sponsors, or
17 pharmacies).
- 18 (ii) The primary business models and
19 compensation structures for each category
20 of intermediary described in clause (i).
- 21 (iii) Variation in price-related com-
22 pensation structures between affiliated en-
23 tities (such as entities with common owner-
24 ship, either full or partial, and subsidiary
25 relationships) and unaffiliated entities.

1 (iv) Potential conflicts of interest
2 among contracting entities related to the
3 use of prescription drug price-related com-
4 pensation structures, such as the potential
5 for fees or other payments set as a per-
6 centage of a prescription drug's price to
7 advantage formulary selection, distribution,
8 or purchasing of prescription drugs with
9 higher prices.

10 (v) Notable differences, if any, in the
11 use and level of price-based compensation
12 structures over time and between different
13 market segments, such as under part D of
14 title XVIII of the Social Security Act (42
15 U.S.C. 1395w-101 et seq.) and the Med-
16 icaid program under title XIX of such Act
17 (42 U.S.C. 1396 et seq.).

18 (vi) The effects of drug price-related
19 compensation structures and alternative
20 compensation structures on Federal health
21 care programs and program beneficiaries,
22 including with respect to cost-sharing, pre-
23 miums, Federal outlays, biosimilar and ge-
24 neric drug adoption and utilization, drug
25 shortage risks, and the potential for fees

1 set as a percentage of a drug's price to ad-
 2 vantage the formulary selection, distribu-
 3 tion, or purchasing of drugs with higher
 4 prices.

5 (vii) Other issues determined to be
 6 relevant and appropriate by the Comp-
 7 troller General.

8 (B) REPORT.—Not later than 2 years after
 9 the date of enactment of this paragraph, the
 10 Comptroller General shall submit to Congress a
 11 report containing the results of the study con-
 12 ducted under subparagraph (A), together with
 13 recommendations for such legislation and ad-
 14 ministrative action as the Comptroller General
 15 determines appropriate.

16 (3) MEDPAC REPORTS ON AGREEMENTS WITH
 17 PHARMACY BENEFIT MANAGERS WITH RESPECT TO
 18 PRESCRIPTION DRUG PLANS AND MA-PD PLANS.—

19 (A) IN GENERAL.—The Medicare Payment
 20 Advisory Commission shall submit to Congress
 21 the following reports:

22 (i) INITIAL REPORT.—Not later than
 23 the first March 15 occurring after the date
 24 that is 2 years after the date on which the
 25 Secretary makes the data available to the

Commission, a report regarding agreements with pharmacy benefit managers with respect to prescription drug plans and MA–PD plans. Such report shall include, to the extent practicable—

(I) a description of trends and patterns, including relevant averages, totals, and other figures for the types of information submitted;

(II) an analysis of any differences in agreements and their effects on plan enrollee out-of-pocket spending and average pharmacy reimbursement, and other impacts; and

(III) any recommendations the Commission determines appropriate.

(ii) FINAL REPORT.—Not later than 2 years after the date on which the Commission submits the initial report under clause (i), a report describing any changes with respect to the information described in clause (i) over time, together with any recommendations the Commission determines appropriate.

1 (B) FUNDING.—In addition to amounts
2 otherwise available, there is appropriated to the
3 Medicare Payment Advisory Commission, out of
4 any money in the Treasury not otherwise ap-
5 propriated, \$1,000,000 for fiscal year 2026, to
6 remain available until expended, to carry out
7 this paragraph.

○