118TH CONGRESS
1ST SESSION

# S. _____

To require the Comptroller General of the United States to conduct a study and submit a report on price-related compensation and payment structures in the prescription drug supply chain.

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IN THE SENATE OF THE UNITED STATES

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Mr. BENNET (for himself and Mr. LANKFORD) introduced the following bill; which was read twice and referred to the Committee on _____

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# A BILL

To require the Comptroller General of the United States to conduct a study and submit a report on price-related compensation and payment structures in the prescription drug supply chain.

*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 ''Prescription Drug Supply Chain Pricing Transparency Act''.

**SEC. 2. GAO STUDY AND REPORT ON PRICE-RELATED COMPENSATION AND PAYMENT STRUCTURES IN THE PRESCRIPTION DRUG SUPPLY CHAIN.**

Section 1860D–42 of the Social Security Act (42 U.S.C. 1395w–152) is amended by adding at the end the following new subsection:

''(e) GAO STUDY AND REPORT ON PRICE-RELATED COMPENSATION AND PAYMENT STRUCTURES IN THE PRESCRIPTION DRUG SUPPLY CHAIN.—

''(1) STUDY.—The Comptroller General of the United States (in this subsection referred to as the 'Comptroller General') shall conduct a study on the use of compensation and payment structures related to a prescription drug's price within the retail prescription drug supply chain. Such study shall include an overview of the following:

''(A) The type, magnitude, other features (such as the pricing benchmarks used), and prevalence of compensation and payment structures related to a prescription drug's price, such as calculating fee amounts as a percentage of a prescription drug's price, between intermediaries in the prescription drug supply chain, including—

''(i) pharmacy benefit managers;

''(ii) part D plan sponsors;

"(iii) drug wholesalers;

"(iv) pharmacies;

"(v) manufacturers;

"(vi) pharmacy services administrative organizations;

"(vii) brokers, auditors, consultants, and other entities that advise part D plan sponsors about pharmacy benefits or review part D plan sponsor contracts with pharmacy benefit managers; and

"(viii) other service providers that contract with any of the entities described in clauses (i) through (vii), including rebate aggregators (or other entities that negotiate or process price concessions on behalf of pharmacy benefit managers or plan sponsors).

"(B) The primary business models and compensation structures for each category of intermediary described in subparagraph (A).

"(C) Variation in price-related compensation structures between affiliated entities (such as entities with common ownership, either full or partial, and subsidiary relationships) and unaffiliated entities.

"(D) Potential conflicts of interest among contracting entities related to the use of prescription drug price-related compensation structures, such as the potential for fees or other payments set as a percentage of a prescription drug's price to advantage the formulary selection, distribution, or purchasing of prescription drugs with higher prices.

"(E) Patterns and trends in price-based compensation structures over time and between different market segments, such as under this part and the Medicaid program under title XIX.

"(F) The factors driving the consideration and use of price-related compensation structures in the prescription drug supply chain.

"(G) Other issues determined to be relevant and appropriate by the Comptroller General.

"(2) REPORT.—Not later than 2 years after the date of enactment of this subsection, the Comptroller General shall submit to Congress a report containing the results of the study conducted under paragraph (1), together with recommendations for

such legislation and administrative action as the Comptroller General determines appropriate.''.