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(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R.

To amend title XVIII of the Social Security Act to prohibit prescription drug plan sponsors and MA–PD organizations under the Medicare program from retroactively reducing payment on clean claims submitted by pharmacies.

IN THE HOUSE OF REPRESENTATIVES

Mr. WELCH introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title XVIII of the Social Security Act to prohibit prescription drug plan sponsors and MA–PD organizations under the Medicare program from retroactively reducing payment on clean claims submitted by pharmacies.

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 “Improving Trans-
5 parency and Accuracy in Medicare Part D Spending Act”.

1 **SEC. 2. PROHIBITING MEDICARE PDP SPONSORS AND MA-**
2 **PD ORGANIZATIONS FROM RETROACTIVELY**
3 **REDUCING PAYMENT ON CLEAN CLAIMS SUB-**
4 **MITTED BY PHARMACIES.**

5 (a) IN GENERAL.—Section 1860D–12(b)(4)(A) of
6 the Social Security Act (42 U.S.C. 1395w–112(b)(4)(A))
7 is amended by adding at the end the following new clause:

8 “(iv) PROHIBITING RETROACTIVE RE-
9 Ductions in payments on clean
10 CLAIMS.—Each contract entered into with
11 a PDP sponsor under this part with re-
12 spect to a prescription drug plan offered
13 by such sponsor shall provide that after
14 the date of receipt of a clean claim sub-
15 mitted by a pharmacy, the PDP sponsor
16 (or an agent of the PDP sponsor) may not
17 retroactively reduce payment on such claim
18 directly or indirectly through aggregated
19 effective rate or otherwise except in the
20 case such claim is found to not be a clean
21 claim (such as in the case of a claim lack-
22 ing required substantiating documentation)
23 during the course of a routine audit as
24 permitted pursuant to written agreement
25 between the PDP sponsor (or such an
26 agent) and such pharmacy. The previous

1 sentence shall not prohibit any retroactive
2 increase in payment to a pharmacy pursu-
3 ant to a written agreement between a PDP
4 sponsor (or an agent of such sponsor) and
5 such pharmacy.”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 subsection (a) shall apply with respect to contracts entered
8 into on or after January 1, 2020.