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115TH CONGRESS
2D SESSION

H. R. 5712

To amend title XIX of the Social Security Act to compel manufacturers to correct inaccurate classification data reported to the Medicaid rebate program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 2018

Mr. SCHRADER (for himself and Mr. WELCH) introduced the following bill; which was referred to the Committee on Energy and Commerce

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A BILL

To amend title XIX of the Social Security Act to compel manufacturers to correct inaccurate classification data reported to the Medicaid rebate program, and for other purposes.

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 ''Medicaid Drug Rebate Accountability Act''.

SEC. 2. AUTHORITY TO COMPEL MANUFACTURERS TO CORRECT INACCURATE CLASSIFICATION DATA REPORTED TO MEDICAID REBATE PROGRAM.

Section 1927(b)(3) of the Social Security Act (42 U.S.C. 1396r–8(b)(3)) is amended by adding at the end the following new subparagraph:

''(E) REMEDY WITH RESPECT TO INACCURATE CLASSIFICATION DATA.—

''(i) CORRECTION OF INACCURATE CLASSIFICATION DATA.—In the case that the Secretary determines that drug classification data reported on or after September 30, 2018, by a manufacturer under this paragraph, with respect to a covered outpatient drug of such manufacturer, provides an inaccurate classification for such drug, the Secretary shall require such manufacturer to correct, within a 30-day period, the classification for such drug.

''(ii) CIVIL MONETARY PENALTY.—In the case of a manufacturer who fails to correct the classification of a covered outpatient drug within a 30-day period pursuant to clause (i), the Secretary shall, beginning the day after the end of such 30-day period, require such manufacturer to

pay a civil monetary penalty of $100,000 per day until the date on which the manufacturer corrects such classification.

''(iii) CLASSIFICATION DEFINED.—For purposes of this subparagraph, the term 'classification' means identification or designation as one of the following:

''(I) A single source drug.

''(II) An innovator multiple source drug.

''(III) A noninnovator multiple source drug.''.

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