

118TH CONGRESS  
2D SESSION

# H. R. 7535

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 HOUSE OF REPRESENTATIVES

MARCH 5, 2024

Ms. CARAVEO (for herself and Mr. MANN) 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 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.

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 “Prescription Drug  
5 Supply Chain Pricing Transparency Act”.

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

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

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

10 “(1) STUDY.—The Comptroller General of the  
11 United States (in this subsection referred to as the  
12 ‘Comptroller General’) shall conduct a study on the  
13 use of compensation and payment structures related  
14 to a prescription drug’s price within the retail pre-  
15 scription drug supply chain. Such study shall include  
16 an overview of the following:

17 “(A) The type, magnitude, other features  
18 (such as the pricing benchmarks used), and  
19 prevalence of compensation and payment struc-  
20 tures related to a prescription drug’s price,  
21 such as calculating fee amounts as a percentage  
22 of a prescription drug’s price, between inter-  
23 mediaries in the prescription drug supply chain,  
24 including—

25 “(i) pharmacy benefit managers;

26 “(ii) part D plan sponsors;

1 “(iii) drug wholesalers;

2 “(iv) pharmacies;

3 “(v) manufacturers;

4 “(vi) pharmacy services administrative  
5 organizations;

6 “(vii) brokers, auditors, consultants,  
7 and other entities that advise part D plan  
8 sponsors about pharmacy benefits or re-  
9 view part D plan sponsor contracts with  
10 pharmacy benefit managers; and

11 “(viii) other service providers that  
12 contract with any of the entities described  
13 in clauses (i) through (vii), including re-  
14 bate aggregators (or other entities that ne-  
15 gotiate or process price concessions on be-  
16 half of pharmacy benefit managers or plan  
17 sponsors).

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

21 “(C) Variation in price-related compensa-  
22 tion structures between affiliated entities (such  
23 as entities with common ownership, either full  
24 or partial, and subsidiary relationships) and un-  
25 affiliated entities.

1           “(D) Potential conflicts of interest among  
2           contracting entities related to the use of pre-  
3           scription drug price-related compensation struc-  
4           tures, such as the potential for fees or other  
5           payments set as a percentage of a prescription  
6           drug’s price to advantage the formulary selec-  
7           tion, distribution, or purchasing of prescription  
8           drugs with higher prices.

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

14          “(F) The factors driving the consideration  
15          and use of price-related compensation struc-  
16          tures in the prescription drug supply chain.

17          “(G) Other issues determined to be rel-  
18          evant and appropriate by the Comptroller Gen-  
19          eral.

20          “(2) REPORT.—Not later than 2 years after the  
21          date of enactment of this subsection, the Comp-  
22          troller General shall submit to Congress a report  
23          containing the results of the study conducted under  
24          paragraph (1), together with recommendations for

- 1 such legislation and administrative action as the
- 2 Comptroller General determines appropriate.”.

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