

118TH CONGRESS
1ST SESSION

S. 2198

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.

IN THE SENATE OF THE UNITED STATES

JUNE 22, 2023

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

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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