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(Original Signature of Member)

114TH CONGRESS
2D 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. GRIFFITH 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 agents of the PDP sponsor) may
17 not retroactively reduce payment on such
18 claim directly or indirectly through aggre-
19 gated effective rate or otherwise except in
20 the case such claim is found to not be a
21 clean claim (such as in the case of a claim
22 lacking required substantiating documenta-
23 tion) during the course of a routine audit
24 as permitted pursuant to written agree-
25 ment between the PDP sponsor (or such
26 an agent) and such pharmacy. The pre-

1 vious sentence shall not prohibit any retro-
2 active increase in payment to a pharmacy
3 pursuant to a written agreement between a
4 PDP sponsor (or an agent of such spon-
5 sor) and 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, 2017.