

105TH CONGRESS  
2D SESSION

# H. R. 4187

To amend title XVIII of the Social Security Act to require disclosure of certain information about benefit management for prescription drugs by Medicare+Choice organizations.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 1998

Mr. STARK introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, 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 amend title XVIII of the Social Security Act to require disclosure of certain information about benefit management for prescription drugs by Medicare+Choice organizations.

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 “Medicare+Choice  
5 Pharmaceutical Management Act of 1998”.

1 **SEC. 2. DISCLOSURE OF PHARMACEUTICAL BENEFIT MAN-**  
2 **AGEMENT ACTIVITIES UNDER**  
3 **MEDICARE+CHOICE PLANS.**

4 (a) IN GENERAL.—Section 1852 of the Social Secu-  
5 rity Act (42 U.S.C. 1395w–22) is amended by adding at  
6 the end the following new subsection:

7 “(1) DISCLOSURE OF PHARMACEUTICAL BENEFIT  
8 MANAGEMENT ACTIVITIES.—

9 “(1) TO THE SECRETARY.—If a  
10 Medicare+Choice plan offered by a  
11 Medicare+Choice organization provides benefits with  
12 respect to prescription drugs, the organization shall  
13 provide to the Secretary on an annual basis the fol-  
14 lowing information:

15 “(A) A description of the pharmacy and  
16 therapeutic committee (if any) used to develop  
17 and oversee drug formularies, including the  
18 composition of the committee and the reasoning  
19 behind formulary decisions.

20 “(B) A description of any financial incen-  
21 tives to the organization (or any contractor)  
22 from any source, including pharmaceutical man-  
23 ufacturers, associated with the use of any of the  
24 drugs listed on such formulary.

25 “(C) A description of any incentives to  
26 physicians and pharmacists to choose from a

1 subset of preferred medications from a drug  
2 formulary and to induce patients to change  
3 medications. The description shall include a dis-  
4 cussion of reasonable medical effectiveness and  
5 possible health risks associated with these in-  
6 centives.

7 “(D) A description of all policies and pro-  
8 cedures for any drug utilization reviews of phy-  
9 sicians and pharmacists, including any counsel-  
10 ing, intervention, enforcement actions, or pen-  
11 alties associated with the results of these  
12 profiling activities.

13 “(E) A description of any expedited proc-  
14 ess for amending drug formularies to include  
15 new drugs that become available during a plan  
16 year, particularly drugs to treat or alleviate po-  
17 tentially life-threatening illnesses.

18 “(F) A description of any requirements for  
19 prior treatment failures of a particular drug be-  
20 fore approving alternative therapies.

21 “(2) TO THE PUBLIC UPON REQUEST.—In the  
22 case of a plan described in paragraph (1), the  
23 Medicare+Choice organization shall make available  
24 to the public on request the information described in  
25 paragraph (1) as well as a description of any of its

1 drug formularies and any preferred medications  
2 from such formularies.”

3 (b) EFFECTIVE DATE.—The amendment made by  
4 subsection (a) shall apply to contracts for contract periods  
5 beginning on or after January 1, 1999.

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