

110TH CONGRESS
1ST SESSION

H. R. 2770

To amend title XVIII of the Social Security Act to ensure more appropriate payment amounts for drugs and biologicals under part B of the Medicare Program by excluding customary prompt pay discounts extended to wholesalers from the manufacturer's average sales price.

IN THE HOUSE OF REPRESENTATIVES

JUNE 19, 2007

Mr. TOWNS (for himself and Mr. WHITFIELD) 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

A BILL

To amend title XVIII of the Social Security Act to ensure more appropriate payment amounts for drugs and biologicals under part B of the Medicare Program by excluding customary prompt pay discounts extended to wholesalers from the manufacturer's average sales price.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. EXCLUSION OF CUSTOMARY PROMPT PAY DIS-**
2 **COUNTS EXTENDED TO WHOLESALERS FROM**
3 **MANUFACTURER'S AVERAGE SALES PRICE**
4 **FOR PAYMENTS FOR DRUGS AND**
5 **BIOLOGICALS UNDER MEDICARE PART B.**

6 (a) **IN GENERAL.**—Section 1847A(c)(3) of the Social
7 Security Act (42 U.S.C. 1395w-3a(c)(3)) is amended—

8 (1) in the first sentence, by inserting “(other
9 than customary prompt pay discounts extended to
10 wholesalers)” after “prompt pay discounts”; and

11 (2) in the second sentence, by inserting “(other
12 than customary prompt pay discounts extended to
13 wholesalers)” after “other price concessions”.

14 (b) **EFFECTIVE DATE.**—The amendments made by
15 this section shall apply to drugs and biologicals that are
16 furnished on or after January 1, 2008.

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