AMENDMENT

Offered by M_.

Strike section 201 and insert the following (and conform the table of contents accordingly):

I	SEC. 201. VOLUME-BASED DISCOUNT FOR CERTAIN PART B
2	DRUGS.
3	Section 1834 of the Social Security Act (42 U.S.C.
4	1395m) is amended—
5	(1) by adding at the end the following new sub-
6	section:
7	"(x) Volume-based Discount for Certain
8	Drugs.—
9	"(1) In general.—A manufacturer of a drug
10	or biological payable under this part shall, for such
11	drug or biological, not later than 30 days after the
12	date the manufacturer receives from the Secretary
13	the information described in paragraph (2) for such
14	calendar quarter, provide to the Secretary a volume-
15	discount, for such drug or biological, that is equal to
16	the amount (if any) specified in paragraph (3) for
17	each measurement period until the total number of
18	billing units of such drug or biological that is paid
19	under this part during a measurement period is not

1	more than 50 percent of the total number of billing
2	units of such drug or biological that is paid for in
3	the United States during such measurement period.
4	"(2) Provision of Information by the sec-
5	RETARY.—Not later than 30 days after date that is
6	the end of each calendar quarter beginning on or
7	after January 1, 2021, the Secretary shall, for each
8	drug or biological that is eligible for the volume-dis-
9	count under paragraph (1), provide to each manu-
10	facturer of such drug or biological the following:
11	"(A) Information on the total number of
12	billing units of such drug or biological that is
13	paid under this part during the measurement
14	period.
15	"(B) The amount (if any) that is specified
16	under paragraph (3) for such drug or biological.
17	"(3) Volume-discount amount.—
18	"(A) In general.—The amount specified
19	in this paragraph, with respect to a measure-
20	ment period and a drug or biological, is the
21	product of—
22	"(i) the average of the wholesale ac-
23	quisition cost of the drug or biological dur-
24	ing the measurement period;

1	"(ii) the total number of billing units
2	for the drug or biological paid under this
3	part during the measurement period; and
4	"(iii) the decimal specified in subpara-
5	graph (B).
6	"(B) Decimal specified.—The decimal
7	specified in this paragraph, in the case of a per-
8	centage specified in paragraph (4) that is—
9	"(i) at least 50 percentage points and
10	not more than 59 percentage points, is .2;
11	"(ii) at least 60 percentage points and
12	not more than 69 percentage points, is .4;
13	"(iii) at least 70 percentage points
14	and not more than 79 percentage points, is
15	.6;
16	"(iv) at least 80 percentage points
17	and not more than 89 percentage points, is
18	.8; and
19	"(v) at least 90 percentage points, is
20	1.0.
21	"(4) Percentage for high volume
22	DRUGS.—
23	"(A) In general.—The percentage speci-
24	fied in this paragraph, with respect to a meas-
25	urement period and a drug or biological, is the

1	ratio of the amount described in clause (i) of
2	subparagraph (B) to the amount described in
3	clause (ii) of such subparagraph (expressed as
4	a percentage) minus 50 percentage points.
5	"(B) Amounts described.—
6	"(i) Part b market share.—The
7	total number of billing units of a drug or
8	biological paid under this part during the
9	measurement period.
10	"(ii) United states market
11	SHARE.—The total number of billing units
12	of such drug or biological paid for in the
13	United States during the measurement pe-
14	riod.
15	"(C) Exception for low volume
16	DRUGS.—In the case the calculation of the per-
17	centage under paragraph (A) is less than 0 per-
18	cent, such percentage shall be deemed to be 0
19	percent.
20	"(5) Utilization of information.—The Sec-
21	retary shall use the information reported pursuant
22	to section 1927(b)(3) to calculate the amount speci-
23	fied in paragraph (3) and the percentage specified in
24	paragraph (4).

1	"(6) DISCOUNTS DEPOSITED IN SMI TRUST
2	FUND.—The Secretary shall transfer any amount
3	the Secretary receives pursuant to a discount de-
4	scribed in paragraph (1) to the Federal Supple-
5	mental Medical Insurance Trust Fund under section
6	1841.
7	"(7) Definitions.—In this subsection:
8	"(A) BILLING UNIT.—The term 'billing
9	unit' has the meaning given term in section
10	1847A(b)(6)(B).
11	"(B) Measurement period.—The term
12	'measurement period' means, for a manufac-
13	turer of a drug or biological, the time period
14	that is the two consecutive calendar quarters
15	that precede each calendar quarter for which
16	the Secretary provides to such manufacturer in-
17	formation pursuant to paragraph (2).".

