

**AMENDMENT**

**OFFERED BY MR. WELCH OF VERMONT**

Add at the end of the bill the following (and update the table of contents accordingly):

1       **TITLE \_\_\_\_\_ —MISCELLANEOUS**

2       **SEC. \_\_\_\_ . PROHIBITING MEDICARE PDP SPONSORS AND**  
3                   **MA-PD ORGANIZATIONS FROM RETRO-**  
4                   **ACTIVELY REDUCING PAYMENT ON CLEAN**  
5                   **CLAIMS SUBMITTED BY PHARMACIES.**

6       (a) IN GENERAL.—Section 1860D–12(b)(4)(A) of  
7 the Social Security Act (42 U.S.C. 1395w–112(b)(4)(A))  
8 is amended by adding at the end the following new clause:

9                   “(iv) PROHIBITING RETROACTIVE RE-  
10                   DUCTIONS IN PAYMENTS ON CLEAN  
11                   CLAIMS.—Each contract entered into with  
12                   a PDP sponsor under this part with re-  
13                   spect to a prescription drug plan offered  
14                   by such sponsor shall provide that after  
15                   the date of receipt of a clean claim sub-  
16                   mitted by a pharmacy, the PDP sponsor  
17                   (or an agent of the PDP sponsor) may not  
18                   retroactively reduce payment on such claim  
19                   directly or indirectly through aggregated

1 effective rate or otherwise except in the  
2 case such claim is found to not be a clean  
3 claim (such as in the case of a claim lack-  
4 ing required substantiating documentation)  
5 during the course of a routine audit as  
6 permitted pursuant to written agreement  
7 between the PDP sponsor (or such an  
8 agent) and such pharmacy. The previous  
9 sentence shall not prohibit any retroactive  
10 increase in payment to a pharmacy pursu-  
11 ant to a written agreement between a PDP  
12 sponsor (or an agent of such sponsor) and  
13 such pharmacy.”.

14 (b) EFFECTIVE DATE.—The amendment made by  
15 subsection (a) shall apply with respect to contracts entered  
16 into on or after January 1, 2020.

