

115<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5676

[Report No. 115-]

To amend title XVIII of the Social Security Act to authorize the suspension of payments by Medicare prescription drug plans and MA–PD plans pending investigations of credible allegations of fraud by pharmacies.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 3, 2018

Mr. MACARTHUR (for himself, Mr. COLLINS of New York, Mr. SCHWEIKERT, Ms. KUSTER of New Hampshire, Mr. BLUMENAUER, and Mr. TONKO) 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

JUNE --, 2018

Reported from the Committee on Ways and Means with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on May 3, 2018]

# **A BILL**

To amend title XVIII of the Social Security Act to authorize the suspension of payments by Medicare prescription drug plans and MA-PD plans pending investigations of credible allegations of fraud 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 “Stop Excessive Narcotics*  
5 *in our Retirement Communities Protection Act of 2018” or*  
6 *the “SENIOR Communities Protection Act of 2018”.*

7 **SEC. 2. SUSPENSION OF PAYMENTS BY MEDICARE PRE-**  
8 **SCRIPTION DRUG PLANS AND MA-PD PLANS**  
9 **PENDING INVESTIGATIONS OF CREDIBLE AL-**  
10 **LEGATIONS OF FRAUD BY PHARMACIES.**

11 *(a) IN GENERAL.—Section 1860D–12(b) of the Social*  
12 *Security Act (42 U.S.C. 1395w–112(b)) is amended by add-*  
13 *ing at the end the following new paragraph:*

14 *“(7) SUSPENSION OF PAYMENTS PENDING INVES-*  
15 *TIGATION OF CREDIBLE ALLEGATIONS OF FRAUD BY*  
16 *PHARMACIES.—*

17 *“(A) IN GENERAL.—The provisions of sec-*  
18 *tion 1862(o) shall apply with respect to a PDP*  
19 *sponsor with a contract under this part, a phar-*  
20 *macy, and payments to such pharmacy under*  
21 *this part in the same manner as such provisions*  
22 *apply with respect to the Secretary, a provider*  
23 *of services or supplier, and payments to such*  
24 *provider of services or supplier under this title.*

1                   “(B) *RULE OF CONSTRUCTION.*—*Nothing in*  
2                   *this paragraph shall be construed as limiting the*  
3                   *authority of a PDP sponsor to conduct*  
4                   *postpayment review.*”.

5           (b) *APPLICATION TO MA–PD PLANS.*—*Section*  
6           *1857(f)(3) of the Social Security Act (42 U.S.C. 1395w–*  
7           *27(f)(3)) is amended by adding at the end the following*  
8           *new subparagraph:*

9                   “(D) *SUSPENSION OF PAYMENTS PENDING*  
10                   *INVESTIGATION OF CREDIBLE ALLEGATIONS OF*  
11                   *FRAUD BY PHARMACIES.*—*Section 1860D–*  
12                   *12(b)(7).*”.

13           (c) *CONFORMING AMENDMENT.*—*Section 1862(o)(3) of*  
14           *the Social Security Act (42 U.S.C. 1395y(o)(3)) is amended*  
15           *by inserting “, section 1860D–12(b)(7) (including as ap-*  
16           *plied pursuant to section 1857(f)(3)(D)),” after “this sub-*  
17           *section”.*

18           (d) *CLARIFICATION RELATING TO CREDIBLE ALLEGA-*  
19           *TION OF FRAUD.*—*Section 1862(o) of the Social Security*  
20           *Act (42 U.S.C. 1395y(o)) is amended by adding at the end*  
21           *the following new paragraph:*

22                   “(4) *CREDIBLE ALLEGATION OF FRAUD.*—*In car-*  
23                   *rying out this subsection, section 1860D–12(b)(7) (in-*  
24                   *cluding as applied pursuant to section 1857(f)(3)(D)),*  
25                   *and section 1903(i)(2)(C), a fraud hotline tip (as de-*

1        *fined by the Secretary) without further evidence shall*  
2        *not be treated as sufficient evidence for a credible alle-*  
3        *gation of fraud.”.*

4        *(e) EFFECTIVE DATE.—The amendments made by this*  
5        *section shall apply with respect to plan years beginning on*  
6        *or after January 1, 2020.*