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(Original Signature of Member)

115TH CONGRESS  
2D SESSION

# **H. R. 6733**

To amend title XXVII of the Public Health Service Act and title XVIII of the Social Security Act to prohibit group health plans, health insurance issuers, prescription drug plan sponsors, and Medicare Advantage organizations from limiting certain information on drug prices.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. CARTER of Georgia introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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## **A BILL**

To amend title XXVII of the Public Health Service Act and title XVIII of the Social Security Act to prohibit group health plans, health insurance issuers, prescription drug plan sponsors, and Medicare Advantage organizations from limiting certain information on drug prices.

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 “Know the Cost Act  
5       of 2018”.

1 **SEC. 2. PROHIBITION ON LIMITING CERTAIN INFORMATION**  
2 **ON DRUG PRICES.**

3 (a) IN GENERAL.—

4 (1) GROUP HEALTH PLANS AND HEALTH IN-  
5 SURANCE ISSUERS.—Subpart II of part A of title  
6 XXVII of the Public Health Service Act (42 U.S.C.  
7 300gg–11 et seq.) is amended by adding at the end  
8 the following:

9 **“SEC. 2729. INFORMATION ON PRESCRIPTION DRUGS.**

10 “(a) IN GENERAL.—A group health plan or a health  
11 insurance issuer offering group or individual health insur-  
12 ance coverage shall—

13 “(1) not restrict, directly or indirectly, any  
14 pharmacy that dispenses a prescription drug to an  
15 enrollee in the plan or coverage from informing (or  
16 penalize such pharmacy for informing) an enrollee of  
17 any differential between the enrollee’s out-of-pocket  
18 cost under the plan or coverage with respect to ac-  
19 quisition of the drug and the amount an individual  
20 would pay for acquisition of the drug without using  
21 any health plan or health insurance coverage; and

22 “(2) ensure that any entity that provides phar-  
23 macy benefits management services under a contract  
24 with any such health plan or health insurance cov-  
25 erage does not, with respect to such plan or cov-  
26 erage, restrict, directly or indirectly, a pharmacy

1 that dispenses a prescription drug from informing  
2 (or penalize such pharmacy for informing) an en-  
3 rollee of any differential between the enrollee’s out-  
4 of-pocket cost under the plan or coverage with re-  
5 spect to acquisition of the drug and the amount an  
6 individual would pay for acquisition of the drug  
7 without using any health plan or health insurance  
8 coverage.

9 “(b) DEFINITION.—For purposes of this section, the  
10 term ‘out-of-pocket cost’, with respect to acquisition of a  
11 drug, means the amount to be paid by the enrollee under  
12 the plan or coverage, including any cost-sharing (including  
13 any deductible, copayment, or coinsurance) and, as deter-  
14 mined by the Secretary, any other expenditure.”.

15 (2) PRESCRIPTION DRUG PLAN SPONSORS AND  
16 MEDICARE ADVANTAGE ORGANIZATIONS.—Section  
17 1860D–4 of the Social Security Act (42 U.S.C.  
18 1395w–104) is amended by adding at the end the  
19 following new subsection:

20 “(m) PROHIBITION ON LIMITING CERTAIN INFORMA-  
21 TION ON DRUG PRICES.—A PDP sponsor and a Medicare  
22 Advantage organization shall ensure that each prescrip-  
23 tion drug plan or MA–PD plan offered by the sponsor or  
24 organization does not restrict a pharmacy that dispenses  
25 a prescription drug or biological from informing, nor pe-

1 nalize such pharmacy for informing, an enrollee in such  
2 plan of any differential between the negotiated price of,  
3 or copayment or coinsurance for, the drug or biological  
4 to the enrollee under the plan and a lower price the indi-  
5 vidual would pay for the drug or biological if the enrollee  
6 obtained the drug without using any health insurance cov-  
7 erage.”.

8 (3) EFFECTIVE DATE.—The amendments made  
9 by this subsection shall apply with respect to plan  
10 years beginning on or after January 1, 2020.

11 (b) MEDICARE BENEFICIARY NOTICE REQUIRE-  
12 MENTS.—

13 (1) ANNUAL NOTICE REQUIREMENT.—Section  
14 1804(c) of the Social Security Act (42 U.S.C.  
15 1395b–2(c)) is amended—

16 (A) in paragraph (3), by striking “and” at  
17 the end;

18 (B) in paragraph (4), by striking the pe-  
19 riod at the end and inserting “; and”; and

20 (C) by adding at the end the following new  
21 paragraph:

22 “(5) with respect to a notice provided on or  
23 after January 1, 2020, and an individual enrolled in  
24 a prescription drug plan under part D or an MA-PD  
25 plan under part C, information on the potential ef-

1       fects purchasing a drug without using benefits pro-  
2       vided under such prescription drug plan or MA-PD  
3       plan may have on such individual’s deductible and  
4       future cost-sharing obligations under such prescrip-  
5       tion drug plan or MA-PD plan.”.

6               (2) MA ORGANIZATION AND PDP SPONSOR DIS-  
7       CLOSURES.—

8               (A) IN GENERAL.—Section 1852(c)(1) of  
9       the Social Security Act (42 U.S.C. 1395w-  
10       22(c)(1)) is amended by adding at the end the  
11       end the following new subparagraph:

12               “(J) DRUG PURCHASING INFORMATION.—  
13       With respect to an enrollee in an MA-PD plan,  
14       information in a form and manner specified by  
15       the Secretary on the potential effects pur-  
16       chasing a drug without using benefits provided  
17       under such plan may have on such individual’s  
18       deductible and future cost-sharing obligations  
19       under such plan.”.

20               (B) EFFECTIVE DATE.—The amendment  
21       made by this paragraph shall apply with respect  
22       to disclosures made on or after January 1,  
23       2020.