

**AMENDMENT**

**OFFERED BY M\_\_ . \_\_\_\_\_**

Strike section 202 and insert the following new section (and update the table of contents accordingly):

1 **SEC. 202. OPTION FOR PDP SPONSORS USING FORMULARY**  
2 **TO EXCLUDE COVERED PART D DRUGS IN**  
3 **PROTECTED CLASSES IF PRICES OF SUCH**  
4 **DRUGS INCREASE FASTER THAN INFLATION.**

5 (a) IN GENERAL.—Section 1860D–4(b)(3)(G)(i) of  
6 the Social Security Act (42 U.S.C. 1395w–  
7 104(b)(3)(G)(i)) is amended—

8 (1) in subclause (I), by striking “subclause  
9 (II)” and inserting “subclauses (II) and (III)”; and

10 (2) by adding at the end the following new sub-  
11 clause:

12 “(III) OPTION TO EXCLUDE COV-  
13 ERED PART D DRUGS IN PROTECTED  
14 CLASSES IF PRICES OF SUCH DRUGS  
15 INCREASE FASTER THAN INFLA-  
16 TION.—For plan year 2021 and each  
17 succeeding plan year, a PDP sponsor  
18 offering a prescription drug plan may  
19 exclude from its formulary any dosage

1 form and strength of a covered part D  
2 drug in a category or class that is  
3 otherwise required to be included in  
4 the formulary under subclause (I) if  
5 the wholesale acquisition cost for such  
6 dosage form and strength of such  
7 drug for the plan year exceeds such  
8 price for such dosage form and  
9 strength of such drug for the previous  
10 plan year, increased by the percentage  
11 increase in the consumer price index  
12 for all urban consumers (all items;  
13 United States city average) over such  
14 previous plan year.”.

In section 301(e)(1)—

(1) strike “, as amended by section 202, is further amended by inserting after section 1860D–14B” and insert “is amended by inserting after section 1860D–14A (42 U.S.C. 1395w–114a)”;

(2) in the matter proposed to be inserted as section 1860D–14C of the Social Security Act, amend the heading of such section 1860D–14C to read as follows: “**SEC. 1860D–14B. MANUFACTURER DISCOUNT PROGRAM.**”.

