

**AMENDMENT TO THE RULES COMMITTEE PRINT**  
**118-36**  
**OFFERED BY MR. CARTER OF GEORGIA**

In subtitle B of title VII, add at the end the following:

1 **SEC. 7\_\_\_ . REQUIRING ANY PHARMACY BENEFIT MANAGER**  
2 **THAT CONTRACTS WITH TRICARE TO MEET**  
3 **MINIMUM NETWORK ADEQUACY AND REA-**  
4 **SONABLE PHARMACY REIMBURSEMENT**  
5 **STANDARDS.**

6 Section 1074g(a) of title 10, United States Code, is  
7 amended by adding at the end the following new para-  
8 graph:

9 “(11)(A) Beginning on January 1, 2025, the Sec-  
10 retary may not contract with a pharmacy benefit manager  
11 under the pharmacy benefits program unless the phar-  
12 macy benefit manager meets the following requirements:

13 “(i) The pharmacy benefit manager shall con-  
14 tract with, as a TRICARE network provider, at  
15 least—

16 “(I) 80 percent of essential retail phar-  
17 macies (as defined in subparagraph (B)) in the  
18 service area that are independent community

1           pharmacies (as defined in such subparagraph);  
2           and

3                   “(II) 50 percent of essential retail phar-  
4           macies in such service area not described in  
5           subclause (I).

6                   “(ii) The pharmacy benefit manager shall reim-  
7           burse pharmacies for the ingredient costs of pre-  
8           scription drugs and dispensing fees at rates that are  
9           not less than the rates that would apply under the  
10          State Medicaid rebate agreement in effect under sec-  
11          tion 1927 of the Social Security Act (42 U.S.C.  
12          1396r–8).

13          “(B) In this paragraph:

14                   “(i) The term ‘affiliate’ means any entity that  
15          is owned by, controlled by, or related under a com-  
16          mon ownership structure with, a pharmacy benefit  
17          manager, or that acts as a contractor or agent to  
18          such pharmacy benefit manager, if such contractor  
19          or agent performs any of the functions described in  
20          clause (iv).

21                   “(ii) The term ‘essential retail pharmacy’  
22          means a pharmacy that—

23                           “(I) is not an affiliate of a pharmacy ben-  
24          efit manager;

1           “(II) is located in a medically underserved  
2           area (as designated pursuant to section  
3           330(b)(3)(A) of the Public Health Service Act);  
4           and

5           “(III) is designated as an essential retail  
6           pharmacy by the Secretary.

7           “(iii) The term ‘independent community phar-  
8           macy’ means a retail pharmacy that has fewer than  
9           4 locations and is not affiliated with any person or  
10          entity other than its owners.

11          “(iv) The term ‘pharmacy benefit manager’  
12          means any person or entity that, either directly or  
13          through an intermediary, acts as a price negotiator  
14          or group purchaser on behalf of the pharmacy bene-  
15          fits program, or manages the prescription drug ben-  
16          efits provided under such program, including the  
17          processing and payment of claims for prescription  
18          drugs, the performance of drug utilization review,  
19          the processing of drug prior authorization requests,  
20          the adjudication of appeals or grievances related to  
21          the pharmacy benefits, contracting with network  
22          pharmacies, controlling the cost of prescription  
23          drugs, or the provision of related services. Such term  
24          includes any person or entity that carries out one or  
25          more of the activities described in the preceding sen-

- 1 tence, irrespective of whether such person or entity
- 2 identifies itself as a ‘pharmacy benefit manager’.”.

