

AMENDMENT TO THE RULES COMMITTEE PRINT

119–8

OFFERED BY MRS. KIGGANS OF VIRGINIA

At the end of subtitle A of title VII, add the following new section:

1 **SEC. 7____. IMPROVEMENTS TO THE TRICARE PHARMACY**

2 **BENEFITS PROGRAM.**

3 (a) FAIR AND TRANSPARENT TRICARE PHARMACY
4 REIMBURSEMENT.—

5 (1) MINIMUM PHARMACY REIMBURSEMENT
6 STANDARDS.—Section 1074g of title 10, United
7 States Code, is amended—

8 (A) by redesignating subsection (j) as sub-
9 section (m); and

10 (B) by inserting after subsection (i) the
11 following:

12 “(j) PHARMACY BENEFIT MANAGER REIMBURSE-
13 MENT STANDARDS.—

14 “(1) IN GENERAL.—The Secretary of Defense
15 shall ensure that under any contract entered into for
16 the administration of the TRICARE pharmacy bene-
17 fits program—

1 “(A) reimbursement to retail pharmacies
2 shall, at a minimum, cover the ingredient cost
3 to acquire such medications from wholesalers,
4 at a rate that is not lower the national average
5 drug acquisition cost for the drug on the day of
6 claim adjudication (or, in the case of a drug
7 that does not appear on the national average
8 drug acquisition cost index, the wholesale acqui-
9 sition cost for such prescription drug), plus a
10 reasonable professional dispensing fee;

11 “(B) the contractor may not impose point-
12 of-sale fees, retroactive fees, or other indirect or
13 hidden fees that reduce reimbursement below
14 the level described in subparagraph (A); and

15 “(C) failure by the contractor to comply
16 with this subsection shall result in the suspen-
17 sion of contract payments until the contractor
18 demonstrates compliance to the satisfaction of
19 the Secretary.

20 “(2) ENFORCEMENT.—Notwithstanding any
21 other provision of law, if the Secretary determines
22 that a TRICARE pharmacy benefit manager for the
23 TRICARE pharmacy benefit program has failed to
24 meet the requirements of paragraph (1), the Sec-
25 retary shall withhold funds appropriated for the ad-

1 ministration of the contract until corrective actions
2 are taken to stabilize pharmacy payment rates and
3 dispensing fees, or re-issue the TPharm5 contract
4 for bids from additional transparent pharmacy ben-
5 efit managers.”.

6 (b) STRENGTHENING OVERSIGHT OF THE TRICARE
7 PHARMACY PROGRAM.—Section 1074g of title 10, United
8 States Code, as amended by subsection (a), is further
9 amended by inserting after subsection (j) the following:
10 “(k) INDEPENDENT AUDITS.—The Secretary of De-
11 fense shall provide for independent audits, conducted not
12 less frequently than annually, of data reported by a phar-
13 macy benefit manager relating to reimbursement rates,
14 fees, price concessions, pharmacy network adequacy, and
15 beneficiary access. Such audits shall be submitted to the
16 Committees on Armed Services of the Senate and the
17 House of Representatives.

18 “(l) ACCESS METRICS.—In conducting oversight of
19 the TRICARE pharmacy benefit program, the Secretary
20 shall ensure that measures of access include—

21 “(1) continuity of care and beneficiary pref-
22 erence, including the ability of beneficiaries to re-
23 main with their pharmacy of choice; and

1 “(2) meaningful geographic access standards
2 beyond drive-time calculations, with special consider-
3 ation for rural and underserved areas.”.

4 (c) PROTECTING PATIENT CHOICE; PROHIBITION ON
5 MANDATORY MAIL ORDER.—Section 1074g(a)(9) of title
6 10, United States Code, is amended—

7 (1) in subparagraph (A), by striking “2015”
8 and inserting “2026”; and

9 (2) by adding at the end the following:

10 “(D) A beneficiary under this section shall have
11 the right to choose any network retail pharmacy for
12 receipt of prescription drugs, and shall not be com-
13 pelled to use mail order pharmacies or pharmacies
14 owned, affiliated, or controlled by a pharmacy ben-
15 efit manager or its corporate affiliates, if the bene-
16 ficiary elects to use a retail pharmacy that is willing
17 to participate on terms that comply with subsection
18 (j).”.

