

119TH CONGRESS  
1ST SESSION

# H. R. 6609

To amend titles XI, XVIII, and XIX of the Social Security Act to establish certain requirements under Medicare and Medicaid with respect to prescription drug benefits and pharmacy benefit managers.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 2025

Mr. AUCHINCLOSS (for himself, Mrs. HARSHBARGER, Mr. COMER, Mr. CARTER of Georgia, Mr. CISCOMANI, Mr. MOULTON, Mr. DELUZIO, Mr. PETERS, Ms. TLAIB, Ms. BUDZINSKI, Mr. KRISHNAMOORTHY, Mr. KHANNA, Mr. LYNCH, Mr. GOLDMAN of Texas, Mr. COHEN, Ms. PRESSLEY, Mr. VICENTE GONZALEZ of Texas, Mr. MOORE of Alabama, Mr. SUBRAMANYAM, Mr. POCAN, Mr. BISHOP, and Ms. MCCOLLUM) 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

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## A BILL

To amend titles XI, XVIII, and XIX of the Social Security Act to establish certain requirements under Medicare and Medicaid with respect to prescription drug benefits and pharmacy benefit managers.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Pharmacists Fight  
3 Back in Medicare and Medicaid Act”.

4 **SEC. 2. ESTABLISHING CERTAIN REQUIREMENTS WITH RE-**  
5 **SPECT TO PBMS.**

6 (a) **MEDICARE.**—

7 (1) **PRESCRIPTION DRUG PLANS.**—Section  
8 1860D–12 of the Social Security Act (42 U.S.C.  
9 1395w–112) is amended by adding at the end the  
10 following new subsection:

11 “(h) **REQUIREMENTS RELATING TO PHARMACY BEN-**  
12 **EFIT MANAGERS.**—For plan years beginning on or after  
13 January 1, 2027:

14 “(1) **IN GENERAL.**—Each contract entered into  
15 with a PDP sponsor under this part with respect to  
16 a prescription drug plan offered by such sponsor  
17 shall provide—

18 “(A) that the sponsor (and any pharmacy  
19 benefit manager acting on behalf of such spon-  
20 sor, including any affiliate of such PBM, as ap-  
21 plicable)—

22 “(i) shall comply with the pharmacy  
23 payment requirements described in para-  
24 graph (2);

1           “(ii) shall comply with the rebate  
2           pass-through requirements described in  
3           paragraph (3);

4           “(iii) shall comply with the reporting  
5           requirement described in paragraph (4);  
6           and

7           “(iv) may not engage in steering; and

8           “(B) that any pharmacy benefit manager  
9           acting on behalf of such sponsor has a written  
10          agreement with the PDP sponsor under which  
11          the PBM, and any affiliate of such PBM, as  
12          applicable, agrees to meet the requirements de-  
13          scribed in subparagraph (A).

14          “(2) PHARMACY PAYMENT REQUIREMENTS.—  
15          For purposes of paragraph (1)(A)(i), the pharmacy  
16          payment requirements described in this paragraph  
17          are, with respect to a PDP sponsor (and a PBM  
18          acting on behalf of such sponsor, including any affil-  
19          iate of such PBM, as applicable) the following:

20                 “(A) The sponsor, PBM, or affiliate reim-  
21                 burses an in-network pharmacy for the ingre-  
22                 dient cost of a covered part D drug in an  
23                 amount equal to the sum of—

24                         “(i) the national average drug acquisi-  
25                         tion cost for the drug as of the day that

1 the pharmacy submits a claim for payment  
2 for such drug (as determined based upon  
3 the retail survey prices obtained under sec-  
4 tion 1927(f)(1)), or, in the case of a drug  
5 for which no such national average drug  
6 acquisition cost is available, the wholesale  
7 acquisition cost for such drug as of such  
8 day; and

9 “(ii) an amount equal to 4 percent of  
10 the amount described in clause (i), or \$50,  
11 whichever is less.

12 “(B) With respect to each covered part D  
13 drug obtained from an in-network pharmacy by  
14 an individual enrolled in the prescription drug  
15 plan, the sponsor, PBM, or affiliate—

16 “(i) pays such pharmacy a dispensing  
17 fee that is equal to the dispensing fee paid  
18 for such drug under the State plan under  
19 title XIX in the State in which such phar-  
20 macy is located, as reported by the State  
21 under section 1927(f)(2); and

22 “(ii) does not require such individual  
23 to reimburse such dispensing fee or other-  
24 wise increase the amount owed by such in-

1           dividual with respect to such drug to ac-  
2           count for such dispensing fee.

3           “(C) The sponsor, PBM, or affiliate does  
4           not impose any fee or other payment require-  
5           ment upon an in-network pharmacy that would  
6           have the effect of reducing the amount received  
7           by the pharmacy under the other provisions of  
8           this paragraph.

9           “(3) REBATE PASS-THROUGH REQUIRE-  
10          MENTS.—For purposes of paragraph (1)(A)(ii), the  
11          rebate pass-through requirements described in this  
12          paragraph are, with respect to a PDP sponsor (and  
13          a PBM acting on behalf of such sponsor, including  
14          any affiliate of such PBM, as applicable), that, in  
15          the case that such sponsor, PBM, or affiliate re-  
16          ceives a manufacturer rebate in connection with a  
17          covered part D drug—

18                 “(A) in the case that such drug is obtained  
19                 from an in-network pharmacy by an individual  
20                 enrolled in the prescription drug plan, the PDP  
21                 sponsor, PBM, or affiliate applies, at the point  
22                 of sale of such drug, a reduction to the amount  
23                 of any coinsurance or copayment owed by such  
24                 individual with respect to such drug, such that  
25                 the amount of coinsurance or copayment so

1           owed is calculated based on an amount equal to  
2           the reimbursement amount for such drug deter-  
3           mined under paragraph (2)(A), less the amount  
4           of such rebate (or, in the case of a rebate de-  
5           scribed in paragraph (5)(B)(ii), the amount of  
6           such rebate that is attributable to such drug  
7           and such individual); and

8           “(B) in the case that the entity receiving  
9           the manufacturer rebate in connection with  
10          such drug is a PBM (or any affiliate of such  
11          PBM), the PBM (or affiliate) remits to the  
12          PDP sponsor an amount (in this subparagraph  
13          referred to as the ‘rebate remittance payment’)  
14          equal to the amount of such rebate (or, in the  
15          case of a rebate described in paragraph  
16          (5)(B)(ii), the amount of such rebate that is at-  
17          tributable to such drug and such individual),  
18          less the amount by which the coinsurance or co-  
19          payment owed by an individual enrolled in the  
20          prescription drug plan with respect to such  
21          drug was reduced pursuant to subparagraph  
22          (A); and

23          “(C) in the case that such drug is obtained  
24          from an in-network pharmacy by an individual  
25          enrolled in the prescription drug plan who is a

1           subsidy eligible individual (as defined in section  
2           1860D–14(a)(3)), the PDP sponsor remits to  
3           the Secretary, at such time and in such manner  
4           as the Secretary may specify—

5                   “(i) in the case that the entity receiv-  
6                   ing the manufacturer rebate in connection  
7                   with such drug is a PBM (or any affiliate  
8                   of such PBM), the amount received by the  
9                   sponsor under subparagraph (B) with re-  
10                  spect to such drug and such individual;  
11                  and

12                   “(ii) in the case that the entity receiv-  
13                   ing the manufacturer rebate in connection  
14                   with such drug is the PDP sponsor, an  
15                   amount equal to the amount of such rebate  
16                   (or, in the case of a rebate described in  
17                   paragraph (5)(B)(ii), the amount of such  
18                   rebate that is attributable to such drug  
19                   and such individual), less the amount by  
20                   which the coinsurance or copayment owed  
21                   by such individual with respect to such  
22                   drug was reduced pursuant to subpara-  
23                   graph (A).

24                   “(4) REPORTING REQUIREMENT.—For pur-  
25                   poses of paragraph (1)(A)(iii), the reporting require-

1 ment described in this paragraph is, with respect to  
2 a PBM and any affiliate of such PBM, that, not  
3 later than July 1, 2028, and not less frequently than  
4 annually thereafter, the PBM (or affiliate) submits  
5 to the PDP sponsor and to the Secretary a report  
6 containing a certification that, during the preceding  
7 year, such PBM (or affiliate)—

8 “(A) complied with the requirements under  
9 paragraphs (2) and (3); and

10 “(B) did not engage in steering.

11 “(5) DEFINITIONS.—For purposes of this sub-  
12 section:

13 “(A) AFFILIATE.—The term ‘affiliate’  
14 means, with respect to a PBM or PDP sponsor,  
15 an entity that, directly or indirectly—

16 “(i) owns, controls, or has an invest-  
17 ment interest in such PBM or PDP spon-  
18 sor;

19 “(ii) is owned by such PBM or PDP  
20 sponsor or controlled by such PBM or  
21 PDP sponsor;

22 “(iii) that such PBM or PDP sponsor  
23 has an investment interest in; or

1           “(iv) is under common ownership or  
2           corporate control of such PBM or PDP  
3           sponsor.

4           “(B) MANUFACTURER REBATE.—The term  
5           ‘manufacturer rebate’—

6           “(i) means any price concession (in-  
7           cluding any payment, discount, administra-  
8           tion fee, credit, incentive, or penalty) pro-  
9           vided by the manufacturer of a covered  
10          part D drug (or any affiliate, subsidiary,  
11          third party, or intermediary of such manu-  
12          facturer) to a PDP sponsor (or any PBM  
13          acting on behalf of such sponsor, including  
14          any affiliate of such PBM, as applicable),  
15          in connection with the furnishing of such  
16          covered part D drug to an individual en-  
17          rolled in a prescription drug plan offered  
18          by such sponsor; and

19          “(ii) includes any such price conces-  
20          sion that is determined based upon—

21                  “(I) the aggregate volume of  
22                  such covered part D drug (or a group  
23                  of covered part D drugs that includes  
24                  such part D drug) furnished to indi-

1 individuals enrolled in a prescription drug  
2 plan offered by such sponsor; or

3 “(II) the furnishing of any serv-  
4 ice provided to the manufacturer by  
5 such sponsor (or any PBM acting on  
6 behalf of such sponsor, or any affiliate  
7 of such PBM (including an off-shore  
8 entity or group purchasing organiza-  
9 tion), as applicable) in connection  
10 with the furnishing of such covered  
11 part D drug (or a group of covered  
12 part D drugs that includes such part  
13 D drug).

14 “(C) PHARMACY BENEFIT MANAGER;  
15 PBM.—The terms ‘pharmacy benefit manager’  
16 and ‘PBM’ mean a person, business entity, af-  
17 filiate, or other entity that performs pharmacy  
18 benefits management services.

19 “(D) PHARMACY BENEFITS MANAGEMENT  
20 SERVICES.—The term ‘pharmacy benefits man-  
21 agement services’—

22 “(i) means the managing or adminis-  
23 tration of a plan or program that pays for,  
24 reimburses, and covers the cost of prescrip-  
25 tion drugs and medical devices; and

1 “(ii) includes the processing and pay-  
2 ment of claims for prescription drugs and  
3 the adjudication of appeals or grievances  
4 related to qualified prescription drug cov-  
5 erage under this part.

6 “(E) STEERING.—The term ‘steering’  
7 means, with respect to a PDP sponsor (and any  
8 PBM acting on behalf of such sponsor, includ-  
9 ing any affiliate of such PBM, as applicable)—

10 “(i) directing, ordering, or requiring  
11 an enrollee in a prescription drug plan to  
12 use a specific pharmacy, including an affil-  
13 iate pharmacy, for the purpose of filling a  
14 prescription for a covered part D drug or  
15 receiving services from a pharmacist;

16 “(ii) offering or implementing a pre-  
17 scription drug plan design that—

18 “(I) requires an enrollee in a pre-  
19 scription drug plan to utilize a phar-  
20 macy, including an affiliate pharmacy;  
21 or

22 “(II) increases costs to the PDP  
23 sponsor or an enrollee, including by  
24 requiring an enrollee to pay the full  
25 cost for a covered part D drug when

1           such enrollee chooses not to use an af-  
2           filiate pharmacy;

3           “(iii) advertising, marketing, or pro-  
4           moting a pharmacy, including an affiliate  
5           pharmacy, in a manner that encourages  
6           enrollees to choose such pharmacy over an-  
7           other in-network pharmacy;

8           “(iv) creating more than one network  
9           of pharmacies with respect to a prescrip-  
10          tion drug plan such that an in-network  
11          pharmacy belonging to a specific network  
12          (such as a preferred pharmacy network,  
13          narrow pharmacy network, or specialty  
14          pharmacy network) receives preferential  
15          treatment, or engaging in any practice (in-  
16          cluding accreditation or credentialing  
17          standards, day supply limitations, or deliv-  
18          ery method limitations) that has the effect  
19          of excluding an in-network pharmacy from  
20          participation in the network of the PDP  
21          sponsor or restricting an in-network phar-  
22          macy from filling a prescription for a cov-  
23          ered part D drug; or

24          “(v) engaging in any practice that at-  
25          tempts to influence or induce a manufac-

1           turer of a covered part D drug to limit the  
2           distribution of such drug to a small num-  
3           ber of pharmacies or certain types of phar-  
4           macies, or to restrict distribution of such  
5           drug to non-affiliate pharmacies.”.

6           (2) REQUIREMENT TO DEDUCT EXPECTED RE-  
7           BATE AMOUNTS FROM PLAN BIDS.—Section 1860D-  
8           11(b)(2)(C) of the Social Security Act (42 U.S.C.  
9           1395w-111(b)(2)(C)) is amended—

10           (A) in clause (iii), by striking “and” at the  
11           end;

12           (B) by redesignating clause (iv) as clause  
13           (v); and

14           (C) by inserting after clause (iii) the fol-  
15           lowing new clause:

16           “(iv) with respect to bids beginning  
17           with plan year 2027, assumptions regard-  
18           ing any rebate remittance payments pro-  
19           vided under section 1860D-12(h)(3)(B),  
20           subtracted from the actuarial value to  
21           produce such bid; and”.

22           (3) MA-PD PLANS.—Section 1857(f)(3) of the  
23           Social Security Act (42 U.S.C. 1395w-27(f)(3)) is  
24           amended by adding at the end the following new  
25           subparagraph:

1           “(F) REQUIREMENTS RELATING TO PHAR-  
2           MACY BENEFIT MANAGERS.—For plan years be-  
3           ginning on or after January 1, 2027, section  
4           1860D–12(h).”.

5           (b) MEDICAID.—

6           (1) IN GENERAL.—Section 1927 of the Social  
7           Security Act (42 U.S.C. 1396r–8) is amended—

8           (A) in subsection (e), by adding at the end  
9           the following new paragraph:

10           “(6) REQUIREMENTS RELATED TO PHARMACY  
11           BENEFIT MANAGERS.—A contract between the State  
12           and a pharmacy benefit manager, or a contract be-  
13           tween the State and a managed care entity or other  
14           specified entity (as such terms are defined in section  
15           1903(m)(9)(D) and collectively referred to in this  
16           paragraph as the ‘entity’) that includes provisions  
17           making the entity responsible for coverage of covered  
18           outpatient drugs dispensed to individuals enrolled  
19           with the entity, shall require—

20           (A) that the entity or PBM (as applica-  
21           ble) does not engage in steering;

22           (B) that any payment made by the entity  
23           or the PBM (as applicable) for such a drug and  
24           related administrative services (as applicable),

1 including payments made by a PBM on behalf  
2 of the State or entity, is equal to—

3 “(i) the ingredient cost of such drug,  
4 which shall be in an amount equal to the  
5 sum of—

6 “(I) the national average drug  
7 acquisition cost for the drug as of the  
8 day that the pharmacy submits a  
9 claim for payment for such drug (as  
10 determined based upon the retail sur-  
11 vey prices obtained under subsection  
12 (f)(1)), or, in the case of a drug for  
13 which no such national average drug  
14 acquisition cost is available, the  
15 wholesale acquisition cost for such  
16 drug as of such day; and

17 “(II) an amount equal to 4 per-  
18 cent of the amount described in item  
19 (aa), or \$50, whichever is less; and

20 “(ii) a dispensing fee that is equal to  
21 the dispensing fee paid for such drug  
22 under the State plan under this title in the  
23 State in which such pharmacy is located,  
24 as reported by the State under subsection  
25 (f)(2); and

1           “(C) that, in the case that the entity or  
2           PBM (as applicable) receives from a manufac-  
3           turer of a covered outpatient drug a rebate or  
4           discount in connection with the furnishing of  
5           such drug to an individual enrolled under the  
6           State plan (or waiver of such plan), the entity  
7           or PBM remits to the State an amount equal  
8           to the amount of such rebate.”; and

9           (B) in subsection (k), by adding at the end  
10          the following new paragraphs:

11          “(13) PHARMACY BENEFIT MANAGER; PBM.—  
12          The terms ‘pharmacy benefit manager’ and ‘PBM’  
13          have the meaning given such terms in section  
14          1860D–12(h)(C).

15          “(14) STEERING.—The term ‘steering’ has the  
16          meaning given such term in section 1860D–  
17          12(h)(E), except that any reference in such section  
18          to the ‘PDP sponsor’ is deemed a reference to a  
19          managed care entity or other specified entity (as  
20          such terms are defined in section 1903(m)(9)(D))  
21          that is responsible for coverage of covered outpatient  
22          drugs, and any reference to a ‘covered part D drug’  
23          is deemed a reference to a covered outpatient  
24          drug.”.

1           (2) CONFORMING AMENDMENTS.—Section  
2   1903(m) of such Act (42 U.S.C. 1396b(m)) is  
3   amended—

4           (A) in paragraph (2)(A)(xiii)—

5                 (i) by striking “and (III)” and insert-  
6                 ing “(III)”;

7                 (ii) by inserting before the period at  
8                 the end the following: “, and (IV) if the  
9                 contract includes provisions making the en-  
10                tity responsible for coverage of covered  
11                outpatient drugs, the entity shall comply  
12                with the requirements of section  
13                1927(e)(6)”;

14                (iii) by moving the margin 2 ems to  
15                the left; and

16           (B) by adding at the end the following new  
17   paragraph:

18           “(10) No payment shall be made under this title to  
19   a State with respect to expenditures incurred by the State  
20   for payment for services provided by an other specified  
21   entity (as defined in paragraph (9)(D)(iii)) unless such  
22   services are provided in accordance with a contract be-  
23   tween the State and such entity which satisfies the re-  
24   quirements of paragraph (2)(A)(xiii).”.

1           (3) EFFECTIVE DATE.—The amendments made  
2           by this subsection shall apply to contracts between  
3           States and managed care entities, other specified en-  
4           tities, or pharmacy benefit managers that have an  
5           effective date beginning on or after January 1,  
6           2027.

7           (c) PENALTIES FOR NONCOMPLIANT PBMs.—

8           (1) CRIMINAL PENALTIES.—Section 1128B of  
9           the Social Security Act (42 U.S.C. 1320a–7b) is  
10          amended by adding at the end the following new  
11          subsection:

12          “(i) Whoever provides pharmacy benefits manage-  
13          ment services on behalf of a prescription drug plan spon-  
14          sor under part D of title XVIII or a medicaid managed  
15          care organization under title XIX and—

16                  “(1) knowingly and willfully fails to comply  
17                  with the pharmacy payment requirements under sec-  
18                  tion 1860D–12(h)(2) or section 1927(e)(6)(A), as  
19                  applicable;

20                  “(2) knowingly and willfully engages in steering  
21                  (as defined in section 1860D–12(h)); or

22                  “(3) knowingly and willfully fails to comply  
23                  with the rebate pass-through requirements under  
24                  section 1860D–12(h)(3) or section 1927(e)(6)(C), as  
25                  applicable,

1 shall be guilty of a felony and upon conviction thereof shall  
2 be fined not more than \$1,000,000, or imprisoned for not  
3 more than 10 years, or both.”.

4 (2) CIVIL MONETARY PENALTIES.—Section  
5 1128A(a) of the Social Security Act (42 U.S.C.  
6 1320a-7a(a)) is amended—

7 (A) in paragraph (10), by adding “or” at  
8 the end;

9 (B) by inserting after paragraph (10) the  
10 following new paragraph:

11 “(11) commits an act described in section  
12 1128B(i);”; and

13 (C) in the first sentence—

14 (i) by striking “or in cases under  
15 paragraph (9)” and inserting “in cases  
16 under paragraph (9)”; and

17 (ii) by striking “fact)” and inserting  
18 “fact, or in cases under paragraph (11),  
19 \$1,000,000 for each such act)”.

20 (3) EFFECTIVE DATE.—The amendments made  
21 by this subsection shall apply beginning on January  
22 1, 2027.

1 **SEC. 3. IMPROVING PRESCRIPTION DRUG TRANSPARENCY**  
2 **UNDER THE MEDICAID PROGRAM.**

3 Section 1927(f) of the Social Security Act (42 U.S.C.  
4 1396r–8(f)) is amended—

5 (1) in the subsection heading, by striking “RE-  
6 TAIL” and inserting “COVERED OUTPATIENT DRUG”;  
7 and

8 (2) in paragraph (1)—

9 (A) in the paragraph heading, by striking  
10 “RETAIL” and inserting “COVERED OUT-  
11 PATIENT DRUG”;

12 (B) in subparagraph (A)(i), by striking  
13 “retail community pharmacy” and inserting  
14 “pharmacy that dispenses covered outpatient  
15 drugs, including a retail community pharmacy,  
16 mail-order pharmacy, specialty pharmacy, nurs-  
17 ing home pharmacy, long-term care facility  
18 pharmacy, hospital pharmacy, or clinic phar-  
19 macy (but not including a charitable pharmacy  
20 or a not-for-profit pharmacy)”;

21 (C) in subparagraph (C)—

22 (i) in clause (i)—

23 (I) by striking “retail”; and

24 (II) by striking “prescription”  
25 and inserting “covered outpatient”;  
26 and

1 (ii) in clause (ii), by striking “retail  
2 community”;

3 (D) in subparagraph (D)(ii), by striking  
4 “retail”;

5 (E) in subparagraph (E), by striking the  
6 term “retail” each place it appears; and

7 (F) by adding at the end the following new  
8 subparagraphs:

9 “(F) SURVEY REPORTING.—In order to  
10 meet the requirement of section 1902(a)(54), a  
11 State shall require that any pharmacy in the  
12 State that receives any payment, reimburse-  
13 ment, administrative fee, discount, rebate, or  
14 other price concession related to the dispensing  
15 of a covered outpatient drug to an individual re-  
16 ceiving benefits under this title, regardless of  
17 whether such payment, reimbursement, fee, dis-  
18 count, rebate, or other price concession is re-  
19 ceived directly from the State or a managed  
20 care entity or other specified entity (as such  
21 terms are defined in section 1903(m)(9)(D)), or  
22 is received indirectly from a pharmacy benefits  
23 manager or another entity that has a contract  
24 with the State or a managed care entity or  
25 other specified entity (as so defined)—

1           “(i) shall respond to surveys con-  
2           ducted under this paragraph; and

3           “(ii) shall include in each such re-  
4           sponse the pharmacy’s acquisition price for  
5           each such drug, net of all such payments,  
6           reimbursements, administrative fees, dis-  
7           counts, rebates, and other price conces-  
8           sions (or, in the case that the pharmacy is  
9           unable to determine the net acquisition  
10          cost for such a drug at the time that the  
11          survey is received, the pharmacy’s nego-  
12          tiated price for such drug).

13          “(G) SURVEY INFORMATION.—The Sec-  
14          retary shall make information on national drug  
15          acquisition prices obtained under this para-  
16          graph publicly available. Such information shall  
17          include at least the following:

18               “(i) The monthly response rate to the  
19               survey, including a list of pharmacies not  
20               in compliance with subparagraph (F).

21               “(ii) The sampling methodology and  
22               number of pharmacies sampled monthly.

23               “(iii) Information on price concessions  
24               to each pharmacy, including discounts, re-  
25               bates, and other price concessions, to the

1 extent that such information is available  
2 during the survey period.

3 “(H) LIMITATION ON USE OF APPLICABLE  
4 NON-RETAIL PHARMACY PRICING INFORMA-  
5 TION.—No State shall use pricing information  
6 reported by a pharmacy that is not a retail  
7 pharmacy to develop or inform reimbursement  
8 rates for retail community pharmacies.”.

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