

114TH CONGRESS  
2D SESSION

# S. 2981

To amend title XIX of the Social Security Act to add standards for drug compendia for physician use for purposes of Medicaid payment for certain drugs, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MAY 25, 2016

Mr. GRASSLEY (for himself and Mr. CASEY) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XIX of the Social Security Act to add standards for drug compendia for physician use for purposes of Medicaid payment for certain drugs, and for other purposes.

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. ADDING STANDARDS FOR DRUG COMPENDIA**  
2 **FOR PHYSICIAN USE FOR PURPOSES OF PAY-**  
3 **MENT UNDER MEDICAID FOR CERTAIN**  
4 **DRUGS.**

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

8 (1) in subclause (I), by striking the semicolon  
9 at the end and inserting a period;

10 (2) in subclause (II), by striking “; and” at  
11 the end and inserting “).”;

12 (3) in subclause (III)—

13 (A) by striking “the DRUGDEX” and in-  
14 serting “The DRUGDEX”; and

15 (B) by striking “; and” at the end and in-  
16 serting a period; and

17 (4) by adding at the end the following:

18 “(IV) Other compendia that, as  
19 determined by the Secretary—

20 “(aa) are utilized nationwide  
21 by the private health insurance  
22 industry;

23 “(bb) are used by health  
24 care providers, such as long-term  
25 care facilities or academic health  
26 centers;

1           “(cc) have a publicly avail-  
2           able policy on the disclosure of  
3           conflicts of interest that may  
4           exist between such a health care  
5           provider and drug manufactur-  
6           ers;

7           “(dd) use an international,  
8           widely recognized standard to  
9           systematically evaluate the clin-  
10          ical evidence for inclusion in the  
11          compendia; and

12          “(ee) are accepted as profes-  
13          sional drug compendia by at least  
14          one State board of pharmacy (or  
15          an equivalent State licensing  
16          body).”.

17          (b)           TECHNICAL           AMENDMENTS.—Section  
18          1927(g)(1)(B) of the Social Security Act (42 U.S.C.  
19          1396r–8(g)(1)(B)) is amended—

20                 (1) in clause (i), by striking “compendia” and  
21                 inserting “Compendia”; and

22                 (2) in clause (ii), by striking “the peer-re-  
23                 viewed” and inserting “The peer-reviewed”.

1 **SEC. 2. REVISING DEFINITION OF MEDICALLY ACCEPTED**  
2 **INDICATION FOR MEDICARE PART D DRUGS.**

3 Section 1860D–2(e)(4) of the Social Security Act (42  
4 U.S.C. 1395w–102(e)(4)) is amended—

5 (1) in subparagraph (A)(i)(II), by striking “sec-  
6 tion 1927(g)(1)(B)(i)(III)” and inserting “sub-  
7 clauses (III) and (IV) of section 1927(g)(1)(B)(i)”;  
8 and

9 (2) in subparagraph (B), by striking “subpara-  
10 graph (A)(i)(II)” and all that follows through  
11 “1927(g)(1)(B)(i)(III)” and inserting “a compen-  
12 dium described in subclause (III) or (IV) of section  
13 1927(g)(1)(B)(i) shall not be included in the list of  
14 compendia described in section 1861(t)(2)(B)(ii)(I)  
15 unless such compendium”.

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